

**FORTY-FOURTH ANNUAL REPORT**

**OF THE BOARD OF DIRECTORS**

**OF**

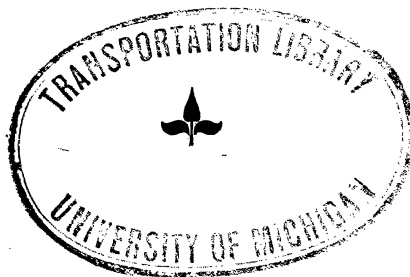
**THE LAKE SHORE AND MICHIGAN SOUTHERN**

**RAILWAY COMPANY**

**TO THE STOCKHOLDERS**

**FOR THE YEAR ENDED**

**DECEMBER 31 1913**



**CLEVELAND**  
**OHIO**

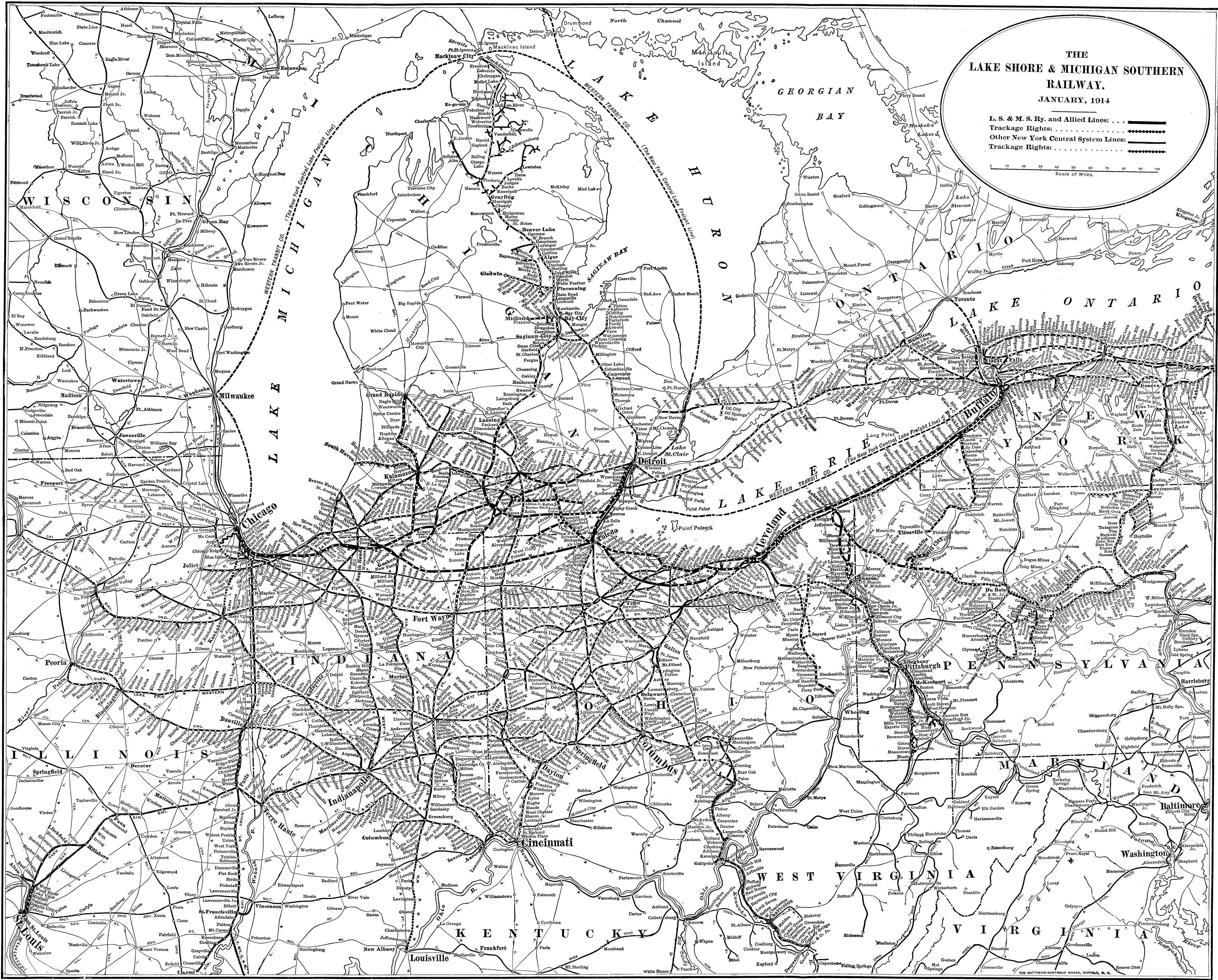


THE  
LAKE SHORE & MICHIGAN SOUTHERN  
RAILWAY.

JANUARY, 1914

L. S. & M. S. Ry. and Allied Lines: . . .  
Trackage Rights: . . .  
Other New York Central System Lines: . . .  
Trackage Rights: . . .

Scale of Miles.



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THE LAKE SHORE AND MICHIGAN SOUTHERN  
RAILWAY COMPANY

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DECEMBER 31 1913



CLEVELAND  
OHIO

# ORGANIZATION OF THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY

DECEMBER 31, 1913

## DIRECTORS

|                           |                            |                       |                            |
|---------------------------|----------------------------|-----------------------|----------------------------|
| J. PIERPONT MORGAN        | } Term Expires<br>May 1914 | WILLIAM K. VANDERBILT | } Term Expires<br>May 1915 |
| JAMES STILLMAN            |                            | LEWIS CASS LEDYARD    |                            |
| GEORGE F. BAKER           |                            | WILLIAM ROCKEFELLER   |                            |
| W. SEWARD WEBB            |                            | MARVIN HUGHITT        |                            |
| FREDERICK W. VANDERBILT   | } Term Expires<br>May 1916 |                       |                            |
| WILLIAM K. VANDERBILT, JR |                            |                       |                            |
| CHAUNCEY M. DEPEW         |                            |                       |                            |
| WILLIAM H. NEWMAN         |                            |                       |                            |
| WILLIAM C. BROWN          |                            |                       |                            |

## EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW, *Chairman of the Board of Directors\**  
WILLIAM C. BROWN, *President\**

|                         |                    |
|-------------------------|--------------------|
| WILLIAM K. VANDERBILT   | LEWIS CASS LEDYARD |
| FREDERICK W. VANDERBILT | GEORGE F. BAKER    |
| WILLIAM ROCKEFELLER     | J. PIERPONT MORGAN |

WILLIAM H. NEWMAN

*\*Members ex-officio*

## OFFICERS

|                                  |                           |           |
|----------------------------------|---------------------------|-----------|
| President                        | WILLIAM C. BROWN          | New York  |
| Senior Vice President            | ALFRED H. SMITH           | New York  |
| Vice President                   | WILLIAM K. VANDERBILT, JR | New York  |
| Vice President                   | JOHN CARSTENSEN           | New York  |
| Vice President                   | ALBERT H. HARRIS          | New York  |
| Vice President                   | CHARLES F. DALY           | New York  |
| Vice President                   | JOHN J. BERNET            | Chicago   |
| Assistant Vice President         | EDWARD T. GLENNON         | Chicago   |
| Secretary                        | DWIGHT W. PARDEE          | New York  |
| Treasurer                        | MILTON S. BARGER          | New York  |
| Local Treasurer                  | RUDOLPH P. AHRENS         | Cleveland |
| General Auditor                  | RICHARD M. HUDDLESTON     | Chicago   |
| Auditor                          | GEORGE M. GLAZIER         | Cleveland |
| General Counsel                  | FRANK J. JEROME           | Cleveland |
| General Counsel                  | ROBERT J. CARY            | Chicago   |
| General Counsel                  | BERTRAND WALKER           | Chicago   |
| General Solicitor                | CLYDE BROWN               | New York  |
| General Claims Attorney          | FRANK V. WHITING          | New York  |
| General Manager                  | DEWITT C. MOON            | Cleveland |
| General Superintendent           | ALBERT S. INGALLS         | Cleveland |
| General Superintendent Telegraph | EDWIN C. KEENAN           | Chicago   |
| General Land and Tax Agent       | HERBERT D. HOWE           | Chicago   |
| Chief Engineer                   | GEORGE C. CLEVELAND       | Cleveland |
| Superintendent Motive Power      | DONALD R. MACBAIN         | Cleveland |
| General Purchasing Agent         | SYDNEY B. WIGHT           | New York  |
| Purchasing Agent                 | GEORGE R. INGERSOLL       | Cleveland |
| Freight Traffic Manager          | GEORGE H. INGALLS         | Chicago   |
| General Freight Agent            | WILLIAM A. NEWMAN         | Cleveland |
| Passenger Traffic Manager        | JOHN W. DALY              | Chicago   |
| General Passenger Agent          | LESTER A. ROBISON         | Cleveland |

The annual meeting of stockholders for the election of directors is held in the city of Cleveland, Ohio, on the first Wednesday in May.

# REPORT

*To the Stockholders of*

THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY :

The Board of Directors herewith submits its report for the year ended December 31, 1913, with statements showing results for the year and the financial condition of the company.

The mileage embraced in the operation of the road is as follows :

|                        | Miles           |
|------------------------|-----------------|
| Main line and branches | 849'09          |
| Proprietary lines      | 269'72          |
| Leased lines           | 543'70          |
| Trackage rights        | 190'46          |
| Total road operated    | <u>1,852'97</u> |

A change has been made in the classification of road mileage operated by transferring to mileage of leased lines the Erie and Kalamazoo Railroad, 21.82 miles, for years reported as a part of mileage of main line and branches. This road being in fact a leased line, under a strict interpretation of the agreement, the change in classification is deemed advisable. There is a decrease in total miles of road operated, in comparison with the previous year's report, owing to the transfer to The Michigan Central Railroad Company for operation of a section (19.60 miles) of the Detroit Toledo and Milwaukee Railroad. There were also some slight changes due to re-measurements and adjustments. A table showing in detail the miles of road and track operated will be found upon another page.

There was no change in capital stock during the year, the amount authorized and outstanding December 31, 1913, being \$50,000,000.00.

The mortgage, bonded and secured debt outstanding on December 31, 1912, was

\$169,406,167 10

It has been increased during the year by adding pro-rata liability for certificates issued under the New York Central Lines Equipment Trust agreement of 1913

1,213,072 16

\$170,619,239 26

It has been decreased by payments during the year of pro-rata of installments on account of equipment trust certificates as follows:

|  |              |              |
|--|--------------|--------------|
| January 1, third installment 1910 trust  | \$889,149 54 |              |
| January 1, first installment 1912 trust  | 198,330 75   |              |
| November 1, sixth installment 1907 trust | 447,226 18   | 1,534,706 47 |

Total mortgage, bonded and secured debt outstanding December 31, 1913 \$169,084,532 79

## Annual Report

## SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

| OPERATING INCOME  | 1913                    | 1912                    | Increase       | Decrease        |
|---|-------------------------|-------------------------|----------------|-----------------|
| RAIL OPERATIONS   | 1,852'97 miles operated | 1,872'30 miles operated |                | 19'33 miles     |
| Revenues  | \$57,941,920 37         | \$54,283,616 52         | \$3,658,303 85 |                 |
| Expenses  | 42,445,209 21           | 35,534,644 36           | 6,910,564 85   |                 |
| NET REVENUE—RAIL OPERATIONS   | \$15,496,711 16         | \$18,748,972 16         |                | \$3,252,261 00  |
| Percentage of expenses to revenues  | (73'25%)                | (65'46%)                | (7'79%)        |                 |
| AUXILIARY OPERATIONS  |                         |                         |                |                 |
| Revenues  | \$1,411,189 34          | \$1,206,895 79          | \$204,293 55   |                 |
| Expenses  | 1,300,187 15            | 1,091,491 27            | 208,695 88     |                 |
| NET REVENUE—AUXILIARY OPERATIONS  | \$111,002 19            | \$115,404 52            |                | \$4,402 33      |
| NET OPERATING REVENUE   | \$15,607,713 35         | \$18,864,376 68         |                | \$3,256,663 33  |
| RAILWAY TAX ACCRUALS  | 2,126,437 54            | 1,771,097 88            | \$355,339 66   |                 |
| OPERATING INCOME  | \$13,481,275 81         | \$17,093,278 80         |                | \$3,612,002 99  |
| OTHER INCOME  |                         |                         |                |                 |
| From lease of road  | \$5,000 00              | \$5,000 00              |                |                 |
| Hire of equipment—credit balance  | 667,085 87              | 551,998 49              | \$115,087 38   |                 |
| Joint facility rents  | 380,247 05              | 357,851 47              | 22,395 58      |                 |
| Miscellaneous rents   | 105,111 30              | 98,394 37               | 6,716 93       |                 |
| Net profit from miscellaneous physical property   | 12,753 53               | 1,211 26                | 11,542 27      |                 |
| Separately operated properties—profit   | 1,213,371 26            | 1,272,125 22            |                | \$58,753 96     |
| Dividend income   | 6,493,713 80            | 6,904,180 66            |                | 410,466 86      |
| Income from funded securities   | 564,450 57              | 488,311 25              | 76,139 32      |                 |
| Income from unfunded securities and accounts  | 1,025,334 20            | 663,001 23              | 362,332 97     |                 |
| Miscellaneous income  | 6,144 92                | 6,702 73                |                | 557 81          |
| TOTAL OTHER INCOME  | \$10,473,212 50         | \$10,348,776 68         | \$124,435 82   |                 |
| GROSS INCOME  | \$23,954,488 31         | \$27,442,055 48         |                | \$3,487,567 17  |
| DEDUCTIONS FROM GROSS INCOME  |                         |                         |                |                 |
| For lease of other roads  | \$2,904,413 31          | \$2,663,239 19          | \$241,174 12   |                 |
| Joint facility rents  | 901,485 89              | 774,143 47              | 127,342 42     |                 |
| Miscellaneous rents   | 21,916 69               | 8,029 45                | 13,887 24      |                 |
| Miscellaneous tax accruals  | 1,220 25                | 5,948 22                |                | \$4,727 97      |
| Separately operated properties—loss   | 36,513 77               | 178,693 51              |                | 142,179 74      |
| Interest for funded debt  | 6,632,067 65            | 6,678,440 31            |                | 46,372 66       |
| Interest for unfunded debt  | 968,530 64              | 549,177 27              | 419,353 37     |                 |
| TOTAL DEDUCTIONS FROM GROSS INCOME  | \$11,466,148 20         | \$10,857,671 42         | \$608,476 78   |                 |
| NET INCOME  | \$12,488,340 11         | \$16,584,384 06         |                | \$4,096,043 95  |
| DIVIDEND APPROPRIATIONS OF INCOME   |                         |                         |                |                 |
| On guaranteed stock (18%)   | \$96,030 00             | \$96,030 00             |                |                 |
| On common stock (18%)   | 8,903,970 00            | 8,903,970 00            |                |                 |
| TOTAL DIVIDEND APPROPRIATIONS OF INCOME   | \$9,000,000 00          | \$9,000,000 00          |                |                 |
| INCOME BALANCE TRANSFERRED TO CREDIT OF PROFIT AND LOSS   | \$3,488,340 11          | \$7,584,384 06          |                | \$4,096,043 95  |
| Amount to credit of profit and loss (free surplus), December 31, 1912   |                         |                         |                | \$41,187,167 89 |
| Add:  |                         |                         |                |                 |
| Balance to credit of profit and loss for the year 1913  |                         |                         | \$3,488,340 11 |                 |
| Balance profit from operation of the Pittsburgh McKeesport and Youghiogheny Railroad from July 1, 1907 to December 31, 1911 |                         |                         | 4,362,643 43   |                 |
| Profit from sale of \$7,350,000.00 bonds of The Cleveland Short Line Railway Company  |                         |                         | 246,215 00     |                 |
| Proportion of profit from sale of a portion of the Detroit Toledo and Milwaukee Railroad                                    |                         |                         | 132,501 00     | 8,229,699 54    |
|   |                         |                         |                | \$49,416,867 43 |
| Deduct:   |                         |                         |                |                 |
| Discount, commission and expenses on one year notes   |                         |                         | \$166,864 24   |                 |
| Discount, commission and expenses on New York Central Lines equipment trust certificates of 1913                            |                         |                         | 43,544 84      |                 |
| Adjustment of sundry accounts including uncollectible items   |                         |                         | 70,514 29      | 280,923 37      |
| Balance to credit of profit and loss (free surplus), December 31, 1913  |                         |                         |                | \$49,135,944 06 |



*The Lake Shore and Michigan Southern Railway Company*

The revenues from rail operations for the year were the largest in the history of the company, amounting to \$57,941,920.37, an increase of \$3,658,303.85 or 6.74% as compared with the previous year.

Freight revenue was \$38,434,441.92, an increase of \$2,063,197.43. The revenue freight carried amounted to 43,094,033 tons, or 2,012,460 tons more than last year. With the exception of products of agriculture, each group of commodities shows a greater tonnage carried than in 1912. Products of mines show a conspicuous improvement in tonnage moved, especially in bituminous coal, which increased 686,831 tons, ores 730,782 tons, and stone, sand and other like articles and other products of mines 257,860 tons. The movement of manufactured commodities was 701,060 tons greater than during 1912, the noticeable increases being in bar and sheet metal, cement, brick and lime and other manufactured articles. In accordance with orders of the Interstate Commerce Commission freight rates on coke from the Connellsville district were reduced effective August 1, 1913, and freight rates on ore from Lake Erie ports to the Pittsburgh district were reduced effective August 15, 1913, resulting in a substantial loss of revenue to the company.

Passenger traffic of the company shows a gratifying growth over the previous year, the increase in revenue therefrom being \$1,190,494.73. There were 794,797 more passengers carried than in the previous year, of whom 244,974 were interline, and 549,823 local fares.

Revenue from transportation of mails was \$2,060,289.31, an increase of \$86,061.55.

Since the regular quadrennial weighing of mails in 1911, the parcel post has been inaugurated, the original weight limit of parcels being eleven pounds, for the transportation of which Congress has allowed an increase in compensation (effective from July 1, 1913, and until the next regular weighing of the mails) of not to exceed five per cent., which is equal to an annual increase of \$134,430.91 in the compensation paid this company for carrying the mails. The situation in reference to mail pay, however, is still unsatisfactory. Pending the report of the joint Congressional Committee now sitting and action upon this report by Congress, the conditions have been much aggravated by the enlargement of the parcel post, with substantially no return to the railroads for the increased service. This new feature of mail transportation has had the effect of curtailing express revenue without compensating return from other sources of traffic.

Revenue from express traffic was \$2,103,615.85, an increase of \$117,925.53, attributable to additional business handled during the year.

Other transportation revenues amounted to \$1,773,017.39, an increase of \$146,233.39, mainly due to additional revenue derived from switching service.

Revenues other than transportation were \$544,862.34, an increase of \$54,391.22, largely due to collections from other railway companies for detouring their trains during the spring floods, and to greater revenues received from car service and storage.



*Annual Report*

Operating expenses for the year, by groups, were:

|                                   | Amount                 | Increase              | Per Cent     |
|-----------------------------------|------------------------|-----------------------|--------------|
| Maintenance of way and structures | \$7,593,610 18         | \$1,077,398 28        | 16.53        |
| Maintenance of equipment          | 12,471,741 17          | 3,187,908 34          | 34.34        |
| Traffic expenses                  | 1,071,647 54           | 109,885 88            | 11.43        |
| Transportation expenses           | 20,158,292 43          | 2,360,957 98          | 13.26        |
| General expenses                  | 1,149,917 89           | 174,414 37            | 17.88        |
| Total                             | <u>\$42,445,209 21</u> | <u>\$6,910,564 85</u> | <u>19.45</u> |

In maintenance of way and structures the principal increases are in renewal of rails and ties, and roadway and track work, chiefly due to 100 miles of rail laid during 1913 in excess of 1912, and 105,000 more ties renewed than in the previous year; also to an increasing quantity of creosoted ties used. A general shortage of labor necessitated increased wages to mechanics and laborers, which added \$320,975.00 to roadway and track expenses. Maintenance expenses were also required to bear the renewal portion of general improvements carried on by the company during the year, which resulted in heavy charges to repairs of bridges, buildings and signal and interlocking plants.

The increase in maintenance of equipment expenses is principally due to greater expenditures for repairs to locomotives and freight train cars. The mileage of locomotives in revenue service increased 6.13 per cent over 1912, and freight train car mileage was 485,900,628 miles, or 9.06 per cent, more than last year, making imperative heavy repairs in order to keep the equipment in service. In comparison with the previous year there was an increase of 132,792 in freight train cars repaired. A general advance in pay of approximately 4 per cent was granted to employes of the locomotive and car departments, creating an increase of \$182,600.00 in maintenance of equipment expenses. Additional charges to renewal of equipment were occasioned by the rebuilding of 34 locomotives into Mikado type and the disposal and dismantling of a larger number of old passenger train cars than in the previous year. All retirements of equipment during the year, including the amount of depreciation not already accrued thereon, have been charged to operating expenses, and in addition thereto depreciation at the rate of two per cent per annum has been accrued since January 1, 1913, upon the cost of equipment of all classes and charged to expenses.

Practically all items under traffic expenses show increases, the principal item being cost of printing tariffs in connection with the application for an increase in freight rates which tariffs have been presented to and suspended by the Interstate Commerce Commission.

In transportation expenses practically all items show increases, partially attributable to the greater tonnage handled and to increase of 5.79 per cent in passenger train mileage. Tonnage moved during the year increased 4.9 per cent over the previous year, as compared with an increase of 3.23 per cent in freight train mileage and 3.16 per cent in freight locomotive miles. Increases in wages granted to stationmen, yardmen, engineers, firemen and trainmen during the year and the latter part of 1912, some of

*The Lake Shore and Michigan Southern Railway Company*

which were the result of arbitration, added to transportation expenses for the year the sum of \$263,081.93.

General expenses increased \$174,414.37, principally due to a change in the distribution of pay of clerks employed in the Shop and Engineer Accountants' offices heretofore charged to other operating accounts, and to additions in clerical forces needed to meet the continually increasing requirements of the Interstate Commerce Commission and State Commissions.

Net revenue from auxiliary operations for the year amounted to \$111,002.19, a decrease of \$4,402.33, as compared with the previous year. This decrease is the net result of a loss from operation of the company's ice supply plants owing to the higher cost of ice and is partly offset by a better comparative showing in the operation of dining cars and coal and ore docks.

Railway tax accruals amounted to \$2,126,437.54, an increase over the previous year of \$355,339.66, approximately \$193,500.00 of which was due to taxes on the property of The Cleveland Short Line Railway Company having been included in this account for this year and paid by The Lake Shore and Michigan Southern Railway Company as provided for under the terms of the lease, \$118,000.00 to increase in tax rates and property returned, and the balance to increased assessment.

Other income for the year amounted to \$10,473,212.50, an increase of \$124,435.82, as compared with the previous year. Additional income was derived from hire of equipment and from interest upon unfunded securities and accounts. There was a decrease in income from dividends on stock owned by the company as compared with last year, chiefly because The Pittsburgh and Lake Erie Railroad Company stock owned by the company paid a smaller extra dividend than in 1912. This loss in revenue was partially offset, however, by an extra dividend of fifty per cent received on stock of The Mahoning Coal Railroad Company. Income from separately operated properties decreased \$58,753.96, attributable to a reduction in surplus earnings for the year of the Pittsburgh McKeesport and Youghiogheny Railroad, in which the company has a one-half interest.

Deductions from gross income for the year were \$11,466,148.20, showing an increase of \$608,476.78 over last year, due to the following causes:

Deductions for lease of other roads increased \$241,174.12, owing to the payment of a full year's rental to The Lake Erie Alliance and Wheeling Railroad Company, as compared with six months in the previous year, to additional rental paid to The Mahoning Coal Railroad Company account increase in traffic moved over that road, and to increase in rental paid to The Cleveland Short Line Railway Company due to additional stock and bonds issued by that company during the year.

Separately operated properties—loss decreased \$142,179.74, due to the discontinuance on January 1, 1913, of the guaranteed payments to the Merchants Despatch Transportation Company.

Interest on unfunded debt increased \$419,353.37. This is attributable to interest charges accruing on additional one year notes issued during the year.

*Annual Report*

Out of the net income of the company for the year, amounting to \$12,488,340.11, there were paid three dividends of 6 per cent each on both the guaranteed and common capital stock, aggregating 18 per cent or \$9,000,000.00, leaving a balance of \$3,488,340.11 which was transferred to the credit of profit and loss.

There was expended during the year for additions and improvements to the property \$4,919,567.73, all of which was charged direct to capital account. The following are the important items :

Completion of new double track draw bridge at Buffalo started in 1912.

New enginehouse and car repair yard at Wesleyville, Pennsylvania.

The construction of a new car repair plant at Ashtabula for repairing steel equipment was started and will be completed early in 1914. It was necessary to provide a plant of this nature owing to the large amount of steel car repair work now required to properly care for that constantly increasing class of equipment.

Continuation of work in connection with change of line at Port Clinton, Ohio.

Improvements at Air Line Junction, consisting of additional yard tracks, new freight engine terminals, coal chute, large general car repair yard and shop.

At Elkhart the power house for the new locomotive repair shop was practically completed.

At Englewood there were completed new engine terminals and new freight car repair shed and tracks.

Large expenditures were made for separation of grades at Detroit, Cleveland, Toledo and Chicago in order to comply with State and Municipal requirements.

A statement showing in detail the expenditures for additions and betterments will be found on a following page.

This company in conjunction with The Michigan Central Railroad Company as owners in equal proportions of all of the capital stock of the Detroit Toledo and Milwaukee Railroad Company consented to the sale by the latter of that part of its railroad between Battle Creek, Michigan, and Allegan, Michigan, which sale was consummated effective September 1, 1913. Inasmuch as the portion of the line sold had been operated by The Michigan Central Railroad Company, a new subdivision of the road for operating purposes was made, which resulted in this company relinquishing to The Michigan Central Railroad Company for operation that portion of the Detroit Toledo and Milwaukee Railroad between Moscow, Michigan, and Homer, Michigan, a distance of 19.60 miles.

The company issued on March 15, 1913, \$12,000,000.00 of one year notes payable March 15, 1914. Of the proceeds realized \$11,710,706.57 was used to reimburse J. P. Morgan and Company for amounts advanced to retire the company's one year franc and sterling notes falling due February 24, 1913, and March 2, 1913. The company also issued on May 15, 1913, its one year sterling notes payable May 15, 1914, for 2,000,000 pounds equivalent to \$9,726,500.00, and on September 6, 1913, issued its one year sterling notes payable September 6, 1914, for 420,000 pounds equivalent to \$2,041,410.00, making a

*The Lake Shore and Michigan Southern Railway Company*

total amount of its sterling notes sold during the year of \$11,767,910.00, the proceeds of which were placed in the treasury of the company.

During the year the company surrendered to The Cleveland Short Line Railway Company its holding of 35,250 shares of preferred stock in exchange for \$3,525,000.00 of first mortgage bonds of that company. On January 29th the company also acquired by purchase 10,000 shares of common stock, par value \$1,000,000.00, and \$1,275,000.00 of first mortgage bonds of The Cleveland Short Line Railway Company, making a total of 47,500 shares of common stock, par value \$4,750,000.00, and \$11,800,000.00 of first mortgage bonds of that company issued and outstanding, and at that time possessed by The Lake Shore and Michigan Southern Railway Company. Later in the year the company sold \$7,350,000.00 of the said first mortgage bonds after having guaranteed the payment of the principal and interest thereof. The company has also loaned to The Cleveland Short Line Railway Company the sum of \$525,000.00 on demand notes of that company.

In accordance with authority of the Board and as referred to in last year's report the company sold at par 17,772 shares of stock of the Merchants Despatch Transportation Company and at the same time acquired by purchase from that company full ownership of 2,520 refrigerator cars and an equity in 468 refrigerator cars covered by Merchants Despatch Equipment Trust of 1911.

There was acquired during the year by purchase, 2,115 shares of stock, par value \$105,750.00, of The Pittsburgh McKeesport and Youghiogeny Railroad Company.

Under the contracts for the acquisition of coal lands in Christian, Montgomery, Fayette, Saline, Franklin and Williamson Counties, Illinois, as referred to in report for 1912, the company has received during the year deeds for 53,709 acres and has paid \$1,544,701.47, making the total lands acquired to December 31, 1913, 70,009 acres at a cost of \$2,273,011.45.

The company being the owner of all of the capital stock of The Elkhart and Western Railroad Company and all of the mortgage bonds issued by that company as of June 1, 1893, and due June 1, 1913, amounting to \$200,000.00, has surrendered said bonds and secured the release of the mortgage and a record of such release in Elkhart and St Joseph Counties, Indiana.

Since November 24, 1912, the parallel lines of the company and The Michigan Central Railroad Company between River Rouge, Michigan, and Wagon Works, Ohio, have been operated as double track, southbound trains using the track of The Lake Shore and Michigan Southern Railway Company and northbound trains using the track of The Michigan Central Railroad Company. Both companies are benefitted by the greater safety, efficiency and convenience of double track operation.

*Annual Report*

Out of \$24,000,000.00 of certificates authorized under the New York Central Lines Equipment Trust of 1913 there were issued during the year an aggregate of \$15,494,000.00. The cost of the equipment to be assigned to this company in connection with the issue of these latter certificates is approximately \$1,347,857.96 and its pro-rata amount of certificates representing not to exceed 90% of the cost is \$1,213,072.16. Full particulars as to the character of the equipment acquired are set forth upon another page of this report.

Cost of road and equipment on December 31, 1912, was \$135,766,748 79

It has been increased during the year as follows :

|   |                     |                         |
|---|---------------------|-------------------------|
| Expenditures for additions and betterments to the property as shown in detail elsewhere   | \$4,919,567 73      |                         |
| Cost of equipment received during the year under the equipment trust of 1913  | 1,119,712 00        |                         |
| Cost of new equipment purchased by the company during the year, consisting of 8 class J-41 locomotives, 5 combination passenger and baggage cars, 6 horse cars, 1,000 refrigerator cars and 1 locomotive crane                            | 1,845,790 89        |                         |
| Value of equipment acquired from Merchants Despatch Transportation Company consisting of full ownership of 2,520 refrigerator cars and an equity in 468 refrigerator cars covered by Merchants Despatch Equipment Trust of 1911           | 1,794,798 75        | 9,679,869 37            |
|   |                     | <u>\$145,446,618 16</u> |
| Value of equipment retired from service during the year   | \$1,378,642 41      |                         |
| Less amount charged in connection with conversion of 34 class G-5 locomotives to Mikado type, cost of applying superheaters to 77 locomotives, rebuilding dining car and conversion of 17 passenger and 49 freight cars to work equipment | 426,846 84          |                         |
|   | <u>\$951,795 57</u> |                         |
| Net credit account adjustments and deferred charges for 1910 and 1912 trust equipment   | 9,810 89            | 961,606 46              |
|   |                     | <u>\$144,485,011 70</u> |
| Amount credited account depreciation accrued during the year on all equipment in service  | \$1,428,697 41      |                         |
| Less depreciation on equipment retired from service during the year   | 113,059 13          | 1,315,638 28            |
| Cost of road and equipment, December 31, 1913   |                     | <u>\$143,169,373 42</u> |

*The Lake Shore and Michigan Southern Railway Company*

Under an agreement dated August 1, 1913, the company has obtained freight trackage rights over the rails of The New York Central and Hudson River Railroad Company from a connection near Seneca Street, Buffalo, to a connection with the International Bridge at Black Rock, N. Y., which enables the direct interchange of traffic with the Michigan Central Railroad.

In the operation of the pension department 51 employees were retired and placed upon the pension rolls. Of these retirements 30 were authorized because of the attainment of seventy years of age and 21 because of total and permanent physical disability. 33 pensioners died during 1913 and at the close of the year 364 retired employees were carried upon the pension rolls. The average monthly pension allowance to these men was \$22.89 and the total amount paid in pension allowances during the year was \$99,854.22.

Section 19-A of the Act to Regulate Commerce, which became a law on the first day of March, 1913, provides that the Interstate Commerce Commission shall investigate and ascertain the value of all the property owned or used by all railroad companies. The Commission is required to ascertain and report in detail as to each piece of property owned or used, the original cost to date, cost of reproduction new, cost of reproduction less depreciation; also all other values and elements of value, if any, of such property. It is also required to investigate and to report upon the history and organization of the present and of any previous corporation operating the property; upon moneys received by reason of any issues of stocks, bonds, or other securities; upon the syndicating, banking, and other financial arrangements under which such issues were made and the expense thereof, together with a large number of other matters unnecessary to specify in detail. The company is required to co-operate with and aid in the work of the valuation of its property in such particulars and to such extent as the Commission may require and direct. It is impossible even to approximate at this time the expense which will thereby be incurred. The performance of the work for the company has been undertaken by a Valuation Committee appointed by the Board of Directors. The Committee is engaged in the preliminary inquiries essential to the proper organization of the necessary forces and in making the preparation required to comply with the requirements of the Commission. Shortly after the passage of the Act, the principal carriers of the country, including this company, organized an association known as The Presidents' Conference Committee. This Committee, in an informal conference with the Commission, pledged its hearty co-operation in the work. It has appointed an Engineering Committee consisting of fifteen members, which for several months past has been engaged in discussing with the Board of Engineers appointed by the Commission, the maps, profiles and schedules which shall be furnished by the carriers to the Commission for its use in inspecting, listing and valuing the property of the carriers. The questions involved have been of great importance and difficulty and as a result these conferences have necessarily taken a very considerable time and no active work has been undertaken by the Commission upon the property of this company. It is expected, however, that progress will be made during the year 1914.

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During the year 1913, practically all of the railroads in the eastern section of the United States, operating in the territory east of the Mississippi and north of the Ohio and Potomac Rivers were parties to arbitrations, first with the Brotherhood of Locomotive Firemen and Enginemen, and later with the Order of Railway Conductors and Brotherhood of Railroad Trainmen, acting jointly. The concerted movement of the Firemen demanded standardization of pay and working conditions, involving an increase in the wages of firemen employed by this company of approximately 58 per cent, and resulted in arbitration under the Erdman Act. The railroads selected Mr. William W. Atterbury, Vice-President of the Pennsylvania Railroad, and the firemen designated Mr. Albert Phillips, Vice-President of the Brotherhood of Locomotive Firemen and Enginemen. The third member of the Board (appointed by the Federal Authorities) was the Honorable William L. Chambers, of Washington, D. C., who was selected Chairman. The Arbitration proceedings were held in New York City from March 10th to April 5th, and on April 23rd an award was handed down which provided for an increase in wages paid to firemen on the Lake Shore and Michigan Southern Railway of 12.15% or \$137,636.00 per annum.. While the Conference Committee of Managers was engaged in preparation for the Firemen's Arbitration proceedings, a petition approved October 19, 1912, by the Eastern Association of General Committees, Order of Railway Conductors and Brotherhood of Railroad Trainmen for standardization of rates of pay, involving an increase in the payrolls of this company estimated at \$662,000.00, or 19% per annum, was presented to all roads east of Chicago and north of the Chesapeake and Ohio Railway, and to the Conference Committee of Managers as well, with a view of ascertaining whether the matter would be handled by the several roads individually or in concert. United action was determined upon by the roads concerned and an Arbitration Board consisting of six members was agreed to under the terms of the Newlands Amendment of the Erdman Act. The railroads were represented upon this Board by Mr. W. W. Atterbury, Vice-President, Pennsylvania Railroad, and Mr. A. H. Smith, Senior Vice-President, New York Central Lines. The Conductors' and Trainmen's organizations designated as their representatives Mr. L. E. Sheppard, Senior Vice-President, Order of Railway Conductors, and Mr. D. L. Cease, Editor and Manager, "The Railroad Trainmen," and the four members so selected met and completed their Board by choosing the Honorable Seth Low and Doctor John H. Finley, President, the College of the City of New York. The Board so constituted, having chosen Mr. Seth Low as its Chairman, heard testimony between September 11th and October 15th, and on November 10th handed down its award, which provided for an increase in the wages of conductors and trainmen employed by this company of 6.5%, or approximately \$226,156.00 per annum.

The Board records the death at Rome, Italy, on March 31, 1913, of Mr. J. Pierpont Morgan, who had been a director of the company from May 17, 1898, to November 13, 1903, and again since May 4, 1904. To fill this vacancy his son, Mr. J. Pierpont Morgan, was, on April 30, 1913, elected a director of the company.



*The Lake Shore and Michigan Southern Railway Company*

The Board records the appointment on April 1, 1913, of Mr. Alfred H. Smith as Senior Vice-President of the company and of Mr. John J. Bernet, Vice-President in charge of operation, maintenance and construction.

The Board also records the resignation, effective December 31, 1913, of Mr. William C. Brown, who has been a director of the company since June 21, 1901, and President of the company since February 1, 1909. To fill these vacancies, Mr. Alfred H. Smith was on December 10, 1913, elected President and a director of the company effective January 1, 1914.

Acknowledgment is hereby rendered to officers and employes for faithful and efficient service.

ALFRED H. SMITH,  
Senior Vice-President.

## Annual Report

## REVENUES IN DETAIL (Rail operations)

| TRANSPORTATION                        |                 |                 |                |             |
|---------------------------------------|-----------------|-----------------|----------------|-------------|
|                                       | 1913            | 1912            | Increase       | Decrease    |
| Freight                               | \$38,434,441 92 | \$36,371,244 49 | \$2,063,197 43 |             |
| Passenger                             | 13,025,693 56   | 11,835,198 83   | 1,190,494 73   |             |
| Excess baggage                        | 172,592 81      | 168,452 71      | 4,140 10       |             |
| Mail                                  | 2,060,289 31    | 1,974,227 76    | 86,061 55      |             |
| Express                               | 2,103,615 85    | 1,985,690 32    | 117,925 53     |             |
| Milk (on passenger trains)            | 56,972 55       | 51,001 21       | 5,971 34       |             |
| Other passenger train                 | 498,033 01      | 545,264 67      |                | \$47,231 66 |
| Switching                             | 965,001 81      | 780,232 84      | 184,768 97     |             |
| Special service train                 | 19,619 95       | 31,457 30       |                | 11,837 35   |
| Miscellaneous transportation          | 60,797 26       | 50,375 27       | 10,421 99      |             |
| Totals                                | \$57,397,058 03 | \$53,793,145 40 | \$3,603,912 63 |             |
| OTHER THAN TRANSPORTATION             |                 |                 |                |             |
| Station and train privileges          | \$18,973 02     | \$18,516 08     | \$456 94       |             |
| Parcel room receipts                  | 58,512 95       | 56,954 80       | 1,558 15       |             |
| Storage—freight                       | 44,859 45       | 34,512 38       | 10,347 07      |             |
| Storage—baggage                       | 10,605 15       | 7,807 80        | 2,797 35       |             |
| Car service                           | 198,435 42      | 162,429 94      | 36,005 48      |             |
| Telegraph and telephone service       | 1,799 96        | 1,924 90        |                | \$124 94    |
| Rents of buildings and other property | 183,093 95      | 228,992 05      |                | 45,898 10   |
| Miscellaneous                         | 66,208 45       | 21,373 47       | 44,834 98      |             |
| Joint facilities revenue—Dr.          | 58,066 48       | 62,375 21       | 4,308 73       |             |
| Joint facilities revenue—Cr.          | 20,440 47       | 20,334 91       | 105 56         |             |
| Totals                                | \$544,862 34    | \$490,471 12    | \$54,391 22    |             |
| Total revenues—rail operations        | \$57,941,920 37 | \$54,283,616 52 | \$3,658,303 85 |             |

## EXPENSES IN DETAIL (Rail operations)

| MAINTENANCE OF WAY AND STRUCTURES                        |                |                |                |             |
|--|----------------|----------------|----------------|-------------|
|  | 1913           | 1912           | Increase       | Decrease    |
| Superintendence  | \$315,577 84   | \$288,136 41   | \$27,441 43    |             |
| Ballast  | 336,511 34     | 366,428 94     |                | \$29,917 60 |
| Ties   | 1,234,164 99   | 1,029,245 28   | 204,919 71     |             |
| Rails  | 304,795 38     | 249,849 96     | 54,945 42      |             |
| Other track material                                     | 372,905 45     | 291,601 61     | 81,303 84      |             |
| Roadway and track  | 2,814,282 47   | 2,372,284 12   | 441,998 35     |             |
| Removal of snow, sand and ice                            | 140,071 35     | 252,662 34     |                | 112,590 99  |
| Tunnels  | 302 55         | 212 68         | 89 87          |             |
| Bridges, trestles and culverts                           | 355,011 86     | 295,972 47     | 59,039 39      |             |
| Over and under grade crossings                           | 24,941 66      | 10,966 23      | 13,975 43      |             |
| Grade crossings, fences, cattle guards and signs         | 160,919 99     | 120,079 31     | 40,840 68      |             |
| Snow and sand fences and snowsheds                       | 2,526 32       | 2,505 81       | 20 51          |             |
| Signals and interlocking plants                          | 368,739 11     | 303,504 86     | 65,234 25      |             |
| Telegraph and telephone lines                            | 140,378 68     | 85,857 08      | 54,521 60      |             |
| Buildings, fixtures and grounds                          | 711,638 88     | 628,939 59     | 82,699 29      |             |
| Docks and wharves  | 2,969 63       | 2,316 34       | 653 29         |             |
| Roadway tools and supplies                               | 125,254 90     | 114,953 33     | 10,301 57      |             |
| Injuries to persons                                      | 36,030 52      | 29,809 33      | 6,221 19       |             |
| Stationery and printing                                  | 19,823 99      | 18,798 79      | 1,025 20       |             |
| Other expenses   | 758 86         | 330 81         | 428 05         |             |
| Maintaining joint tracks, yards and other facilities—Dr. | 384,088 73     | 301,525 80     | 82,562 93      |             |
| Maintaining joint tracks, yards and other facilities—Cr. | 258,084 32     | 249,769 19     |                | 8,315 13    |
| Totals   | \$7,593,610 18 | \$6,516,211 90 | \$1,077,398 28 |             |

*The Lake Shore and Michigan Southern Railway Company*

**EXPENSES IN DETAIL (Rail operations)—continued**

**MAINTENANCE OF EQUIPMENT**

|  | 1913                   | 1912                  | Increase              | Decrease    |
|--|------------------------|-----------------------|-----------------------|-------------|
| Superintendence                                | \$275,623 11           | \$229,047 69          | \$46,575 42           |             |
| Steam locomotives—repairs                      | 2,676,473 57           | 2,442,118 42          | 234,355 15            |             |
| Steam locomotives—renewals and depreciation    | 741,343 69             | 468,947 87            | 272,395 82            |             |
| Passenger-train cars—repairs                   | 586,556 09             | 560,889 41            | 25,666 68             |             |
| Passenger-train cars—renewals and depreciation | 232,685 80             | 86,802 90             | 145,882 90            |             |
| Freight-train cars—repairs                     | 5,935,739 71           | 3,443,325 23          | 2,492,414 48          |             |
| Freight-train cars—renewals and depreciation   | 1,422,561 17           | 1,516,135 21          |                       | \$93,574 04 |
| Floating equipment—renewals                    | 607 68                 | 300 00                | 307 68                |             |
| Work equipment—repairs                         | 112,051 58             | 96,376 25             | 15,675 33             |             |
| Work equipment—renewals and depreciation       | 76,038 23              | 65,062 65             | 10,975 58             |             |
| Shop machinery and tools                       | 310,913 62             | 302,568 68            | 8,344 94              |             |
| Injuries to persons                            | 60,957 64              | 46,237 20             | 14,720 44             |             |
| Stationery and printing                        | 33,211 72              | 26,501 45             | 6,710 27              |             |
| Other expenses                                 | 863 78                 | 640 83                | 222 95                |             |
| Maintaining joint equipment at terminals—Dr.   | 10,525 60              | 4,581 86              | 5,943 74              |             |
| Maintaining joint equipment at terminals—Cr.   | 4,411 82               | 5,702 82              | 1,291 00              |             |
| <b>Totals</b>                                  | <b>\$12,471,741 17</b> | <b>\$9,283,832 83</b> | <b>\$3,187,908 34</b> |             |

**TRAFFIC EXPENSES**

|                                    |                       |                     |                     |          |
|------------------------------------|-----------------------|---------------------|---------------------|----------|
| Superintendence                    | \$239,864 62          | \$224,260 33        | \$15,604 29         |          |
| Outside agencies                   | 208,537 96            | 187,549 69          | 20,988 27           |          |
| Advertising                        | 150,453 24            | 136,321 42          | 14,131 82           |          |
| Traffic associations               | 24,965 07             | 25,538 34           |                     | \$573 27 |
| Fast freight lines                 | 284,069 92            | 264,511 66          | 19,558 26           |          |
| Industrial and immigration bureaus | 8,029 48              | 4,984 70            | 3,044 78            |          |
| Stationery and printing            | 155,197 50            | 118,590 93          | 36,606 57           |          |
| Other expenses                     | 529 75                | 4 59                | 525 16              |          |
| <b>Totals</b>                      | <b>\$1,071,647 54</b> | <b>\$961,761 66</b> | <b>\$109,885 88</b> |          |

**TRANSPORTATION EXPENSES**

|   |                        |                        |             |            |
|---|------------------------|------------------------|-------------|------------|
| Superintendence                         | \$476,538 72           | \$424,687 09           | \$51,851 63 |            |
| Dispatching trains                      | 97,372 70              | 89,825 31              | 7,547 39    |            |
| Station employees                       | 3,318,340 47           | 3,063,741 90           | 254,598 57  |            |
| Weighing and car-service associations   | 46,333 17              | 36,658 23              | 9,674 94    |            |
| Station supplies and expenses           | 185,068 09             | 165,120 08             | 19,948 01   |            |
| Yardmasters and their clerks            | 422,192 91             | 403,224 07             | 18,968 84   |            |
| Yard conductors and brakemen            | 1,707,714 92           | 1,465,436 26           | 242,278 66  |            |
| Yard switch and signal tenders          | 165,558 73             | 155,808 95             | 9,749 78    |            |
| Yard supplies and expenses              | 34,216 90              | 29,851 76              | 4,365 14    |            |
| Yard enginemen                          | 1,114,276 18           | 940,489 53             | 173,786 65  |            |
| Enginehouse expenses—yard               | 306,064 50             | 232,345 07             | 73,719 43   |            |
| Fuel for yard locomotives               | 942,684 94             | 846,573 99             | 96,110 95   |            |
| Water for yard locomotives              | 76,163 87              | 64,710 75              | 11,453 12   |            |
| Lubricants for yard locomotives         | 18,633 28              | 15,537 00              | 3,096 28    |            |
| Other supplies for yard locomotives     | 27,681 47              | 23,814 84              | 3,866 63    |            |
| Operating joint yards and terminals—Dr. | 347,100 44             | 348,388 60             |             | \$1,288 16 |
| Operating joint yards and terminals—Cr. | 613,096 46             | 584,965 41             |             | 28,131 05  |
| Road enginemen                          | 2,004,287 55           | 1,789,853 25           | 214,434 30  |            |
| Enginehouse expenses—road               | 529,045 57             | 494,207 14             | 34,838 43   |            |
| Fuel for road locomotives               | 3,104,144 24           | 3,000,242 54           | 103,901 70  |            |
| Water for road locomotives              | 234,201 17             | 215,886 00             | 18,315 17   |            |
| Lubricants for road locomotives         | 70,264 58              | 66,506 82              | 3,757 76    |            |
| Other supplies for road locomotives     | 55,599 97              | 49,134 86              | 6,465 11    |            |
| <b>Carried forward</b>                  | <b>\$14,670,387.91</b> | <b>\$13,337,078 63</b> |             |            |

## Annual Report

*EXPENSES IN DETAIL (Rail operations)—concluded*

## TRANSPORTATION EXPENSES—concluded

|   | 1913            | 1912            | Increase       | Decrease   |
|---|-----------------|-----------------|----------------|------------|
| Brought forward                                 | \$14,670,387 91 | \$13,337,078 63 |                |            |
| Road trainmen                                   | 2,098,934 18    | 1,895,447 34    | \$203,486 84   |            |
| Train supplies and expenses                     | 603,813 77      | 454,149 66      | 149,664 11     |            |
| Interlockers, block and other signals—operation | 386,243 12      | 341,744 57      | 44,498 55      |            |
| Crossing flagmen and gatemen                    | 171,837 61      | 155,952 01      | 15,885 60      |            |
| Drawbridge operation                            | 26,516 24       | 24,639 43       | 1,876 81       |            |
| Clearing wrecks                                 | 118,285 81      | 102,830 34      | 15,455 47      |            |
| Telegraph and telephone—operation               | 104,276 98      | 81,142 99       | 23,133 99      |            |
| Stationery and printing                         | 231,372 74      | 197,048 28      | 34,324 46      |            |
| Other expenses                                  | 102,291 91      | 104,035 55      |                | \$1,743 64 |
| Loss and damage—freight                         | 886,079 24      | 571,327 28      | 314,751 96     |            |
| Loss and damage—baggage                         | 6,175 39        | 5,518 21        | 657 18         |            |
| Damage to property                              | 72,616 38       | 31,240 15       | 41,376 23      |            |
| Damage to stock on right of way                 | 6,317 20        | 6,092 73        | 224 47         |            |
| Injuries to persons                             | 641,747 90      | 462,327 07      | 179,420 83     |            |
| Operating joint tracks and facilities—Dr.       | 156,085 86      | 110,657 83      | 45,428 03      |            |
| Operating joint tracks and facilities—Cr.       | 124,689 81      | 83,897 62       |                | 40,792 19  |
| Totals  | \$20,158,292 43 | \$17,797,334 45 | \$2,360,957 98 |            |

## GENERAL EXPENSES

|  |                 |                 |                |            |
|--|-----------------|-----------------|----------------|------------|
| Salaries and expenses of general officers                    | \$135,252 86    | \$124,409 25    | \$10,843 61    |            |
| Salaries and expenses of clerks and attendants               | 555,343 39      | 404,267 06      | 151,076 33     |            |
| General office supplies and expenses                         | 56,699 03       | 58,123 90       |                | \$1,424 87 |
| Law expenses   | 152,298 16      | 135,438 57      | 16,859 59      |            |
| Insurance  | 39,220 49       | 40,707 82       |                | 1,487 33   |
| Pensions   | 103,633 05      | 103,314 94      | 318 11         |            |
| Stationery and printing                                      | 59,676 94       | 48,493 92       | 11,183 02      |            |
| Valuation expenses   | 1,906 51        |                 | 1,906 51       |            |
| Other expenses   | 40,078 24       | 56,106 64       |                | 16,028 40  |
| General administration joint tracks, yards and terminals—Dr. | 6,498 16        | 5,322 47        | 1,175 69       |            |
| General administration joint tracks, yards and terminals—Cr. | 688 94          | 681 05          |                | 7 89       |
| Totals   | \$1,149,917 89  | \$975,503 52    | \$174,414 37   |            |
| Total expenses—rail operations                               | \$42,445,209 21 | \$35,534,644 36 | \$6,910,564 85 |            |

## PERCENTAGE OF RAIL OPERATING EXPENSES TO REVENUE FROM RAIL OPERATIONS BY GROUPS

|                                   | 1913  | 1912  |
|-----------------------------------|-------|-------|
| Maintenance of way and structures | 13.11 | 12.00 |
| Maintenance of equipment          | 21.52 | 17.10 |
| Traffic expenses                  | 1.85  | 1.77  |
| Transportation expenses           | 34.79 | 32.79 |
| General expenses                  | 1.98  | 1.80  |
| Totals                            | 73.25 | 65.46 |

*The Lake Shore and Michigan Southern Railway Company***AUXILIARY OPERATIONS**

|                                     | 1913         | 1912         | Increase     | Decrease    |
|-------------------------------------|--------------|--------------|--------------|-------------|
| <b>DINING CAR SERVICE</b>           |              |              |              |             |
| Revenues                            | \$614,925 50 | \$557,379 28 | \$57,546 22  |             |
| Expenses                            | 641,250 02   | 591,206 98   | 50,043 04    |             |
| Net deficit                         | \$26,324 52  | \$33,827 70  |              | \$7,503 18  |
| <b>RESTAURANTS</b>                  |              |              |              |             |
| Revenues                            | \$24,407 50  | \$19,577 77  | \$4,829 73   |             |
| Expenses                            | 22,398 00    | 18,919 91    | 3,478 09     |             |
| Net revenue                         | \$2,009 50   | \$657 86     | \$1,351 64   |             |
| <b>COMMERCIAL ICE SUPPLY PLANTS</b> |              |              |              |             |
| Revenues                            | \$66,261 25  | \$55,673 73  | \$10,587 52  |             |
| Expenses                            | 75,991 99    | 37,006 62    | 38,985 37    |             |
| Net revenue                         | *\$9,730 74  | \$18,667 11  |              | \$28,397 85 |
| <b>COAL AND ORE DOCKS</b>           |              |              |              |             |
| Revenues                            | \$705,595 09 | \$574,265 01 | \$131,330 08 |             |
| Expenses                            | 560,547 14   | 444,357 76   | 116,189 38   |             |
| Net revenue                         | \$145,047 95 | \$129,907 25 | \$15,140 70  |             |
| Total net revenue                   | \$111,002 19 | \$115,404 52 |              | \$4,402 33  |
| *Deficit                            |              |              |              |             |

**RAILWAY TAX ACCRUALS**

|   | 1913           | 1912           | Increase     | Decrease  |
|---|----------------|----------------|--------------|-----------|
| <b>ON CAPITAL STOCK</b>                           |                |                |              |           |
| New York  | \$8,224 65     | \$8,673 39     |              | \$448 74  |
| Pennsylvania                                      | 30,375 00      | 30,375 00      |              |           |
| <b>ON GROSS EARNINGS</b>                          |                |                |              |           |
| New York  | 2,116 12       | 1,913 48       | \$202 64     |           |
| Pennsylvania                                      | 2,041 59       | 1,694 47       | 347 12       |           |
| Ohio  | 167,410 48     | 136,298 80     | 31,111 68    |           |
| <b>ON REAL ESTATE</b>                             |                |                |              |           |
| New York  | 100,465 83     | 96,985 14      | 3,480 69     |           |
| Pennsylvania                                      | 5,066 58       | 6,935 69       |              | 1,869 11  |
| Ohio  | 841,706 33     | 525,785 89     | 315,920 44   |           |
| Indiana   | 331,283 85     | 330,964 71     | 319 14       |           |
| Michigan  | 399,397 57     | 396,358 38     | 3,039 19     |           |
| Illinois  | 64,822 89      | 74,929 11      |              | 10,106 22 |
| <b>ON BONDED DEBT (Pennsylvania)</b>              | 26,000 00      | 21,702 40      | 4,297 60     |           |
| <b>RAILROAD COMMISSIONERS' ASSESSMENTS (Ohio)</b> | 2,319 62       | 1,813 00       | 506 62       |           |
| <b>ON NET INCOME (United States)</b>              | 145,207 03     | 136,668 42     | 8,538 61     |           |
| Totals  | \$2,126,437 54 | \$1,771,097 88 | \$355,339 66 |           |

**DIVIDENDS**

|  |  |                |                |
|--|--|----------------|----------------|
| <b>ON GUARANTEED STOCK</b>                                       |  |                |                |
| Payable March 31, 1913, 6% on 5,335 shares of guaranteed stock   |  | \$32,010 00    |                |
| Payable August 1, 1913, 6% on 5,335 shares of guaranteed stock   |  | 32,010 00      |                |
| Payable February 2, 1914, 6% on 5,335 shares of guaranteed stock |  | 32,010 00      | \$96,030 00    |
| <b>ON COMMON STOCK</b>   |  |                |                |
| Payable March 31, 1913, 6% on 494,665 shares of common stock     |  | \$2,967,990 00 |                |
| Payable July 29, 1913, 6% on 494,665 shares of common stock      |  | 2,967,990 00   |                |
| Payable January 29, 1914, 6% on 494,665 shares of common stock   |  | 2,967,990 00   | 8,903,970 00   |
| Total dividends  |  |                | \$9,000,000 00 |

*Annual Report***DEDUCTIONS FROM GROSS INCOME***For lease of other roads*

|  |                |                        |
|--|----------------|------------------------|
| <b>ERIE AND KALAMAZOO RAILROAD</b>                                       |                |                        |
| Dividend at 10% on 6,000 shares of capital stock (\$50.00 per share)     |                | \$30,000 00            |
| <b>DETROIT HILLSDALE AND SOUTHWESTERN RAILROAD</b>                       |                |                        |
| Organization expenses  | \$500 00       |                        |
| Dividend at 4% on 13,500 shares of capital stock                         | 54,000 00      | 54,500 00              |
| <b>FORT WAYNE AND JACKSON RAILROAD</b>                                   |                |                        |
| Organization expenses  | \$1,500 00     |                        |
| Dividend at 5½% on 22,914,1⅙ shares of capital stock                     | 126,027 88     | 127,527 88             |
| <b>KALAMAZOO ALLEGAN AND GRAND RAPIDS RAILROAD</b>                       |                |                        |
| Interest at 5% on \$840,000 first mortgage bonds                         | \$42,000 00    |                        |
| Dividend at 6% on 6,100 shares of capital stock                          | 36,600 00      | 78,600 00              |
| <b>STURGIS GOSHEN AND ST LOUIS RAILWAY</b>                               |                |                        |
| Interest at 3% on \$322,000 first mortgage bonds                         |                | 9,660 00               |
| <b>BATTLE CREEK AND STURGIS RAILWAY</b>                                  |                |                        |
| Interest at 3% on \$79,000 first mortgage bonds                          |                | 2,370 00               |
| <b>JAMESTOWN FRANKLIN AND CLEARFIELD RAILROAD</b>                        |                |                        |
| Interest at 4% on \$11,000,000 gold mortgage bonds                       | \$440,000 00   |                        |
| Dividend at 5% on 30,000 shares of capital stock                         | 150,000 00     | 590,000 00             |
| <b>CLEVELAND SHORT LINE RAILWAY</b>                                      |                |                        |
| Interest at 4½% on \$11,800,000 first mortgage bonds (part year)         | \$486,468 49   |                        |
| Dividend at 5% on 35,250 shares preferred capital stock (part year)      | 36,095 03      |                        |
| Dividend at 5% on 47,500 shares common capital stock (part year)         | 233,493 15     | 756,056 67             |
| <b>LAKE ERIE ALLIANCE AND WHEELING RAILROAD</b>                          |                |                        |
| Dividend at 4% on 30,000 shares of capital stock                         |                | 120,000 00             |
| <b>MAHONING COAL RAILROAD</b>  |                |                        |
| 40% of gross earnings of \$2,839,246.90 for year ended December 31, 1913 | 1,135,698 76   | \$2,904,413 31         |
| Joint facility rents   |                | 901,485 89             |
| Miscellaneous rents  |                | 21,916 69              |
| Miscellaneous tax accruals   |                | 1,220 25               |
| Separately operated properties—loss                                      |                | 36,513 77              |
| <i>Interest on funded debt</i>   |                |                        |
| Interest 3½% per annum on gold mortgage bonds of 1897                    | \$1,750,000 00 |                        |
| Interest 4% per annum on gold bonds of 1903                              | 2,000,000 00   |                        |
| Interest 4% per annum on gold bonds of 1906                              | 2,000,000 00   |                        |
| Interest 5% per annum on Kalamazoo and White Pigeon mortgage bonds       | 20,000 00      |                        |
| Interest 5% per annum on equipment trust certificates of 1907            | 219,886 21     |                        |
| Interest 4½% per annum on equipment trust certificates of 1910           | 480,140 76     |                        |
| Interest 4½% per annum on equipment trust certificates of 1912           | 124,948 36     |                        |
| Interest 4½% per annum on equipment trust certificates of 1913           | 37,092 32      | 6,632,067 65           |
| Interest on unfunded debt  |                | 968,530 64             |
| <b>Total deductions from gross income</b>                                |                | <b>\$11,466,148 20</b> |

*The Lake Shore and Michigan Southern Railway Company***DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY**

EXPENDITURES DURING THE YEAR FOR ADDITIONS AND IMPROVEMENTS TO THE PROPERTY CHARGED TO CAPITAL ACCOUNT

**ADDITIONAL MAIN TRACKS:**

|                             |              |              |
|-----------------------------|--------------|--------------|
| Madison to Saybrook         | \$127,632 93 |              |
| Elyria Junction to Amherst  | 27,080 72    |              |
| Sandusky Pier to Bay Bridge | 39,120 86    |              |
| Martin to Millbury          | 9,427 76     |              |
| Wagon Works to Alexis       | 74,566 32    |              |
| Pine to Millers             | 16,785 66    | \$294,614 25 |

**SEPARATION OF GRADES:**

|  |             |            |
|--|-------------|------------|
| Erie                                     | \$38,295 20 |            |
| Ashtabula                                | 20,321 23   |            |
| Cleveland                                | 121,168 24  |            |
| Elyria                                   | 49,958 63   |            |
| Sandusky                                 | 89,756 23   |            |
| Air Line Junction                        | 40,894 10   |            |
| Detroit                                  | 19,143 09   |            |
| La Porte                                 | 20,312 62   |            |
| East Side to Englewood (track elevation) | 250,599 74  |            |
| Chicago, at 79th St with Pennsylvania Co | 19,776 89   | 670,225 97 |

**YARD IMPROVEMENTS:**

|  |              |              |
|--|--------------|--------------|
| Cleveland, extension of East 26th Street yard                            | \$18,396 52  |              |
| Danbury, storage tracks  | 6,347 33     |              |
| Air Line Junction, additional yard facilities, engine house, shops, etc. | 1,493,721 30 |              |
| Jackson, additional storage tracks                                       | 9,979 35     |              |
| Fort Wayne, additional yard tracks                                       | 10,478 63    |              |
| Elkhart, additional yard tracks  | 12,685 59    |              |
| Indiana Harbor, enlargement of yard                                      | 26,918 46    | 1,578,527 18 |

**ROADWAY AND BRIDGE IMPROVEMENTS:**

|   |             |            |
|---|-------------|------------|
| Toledo to Detroit, track improvements and renewal of bridges                                    | \$17,817 48 |            |
| Englewood to South Chicago, wire conduit  | 10,878 96   |            |
| Buffalo, new drawbridge over Buffalo Creek  | 118,792 25  |            |
| Wesleyville, new interlocker  | 18,725 45   |            |
| Ashtabula Harbor, interlocker with N Y C & St L R R Co  | 20,753 18   |            |
| Port Clinton, change of line  | 183,052 94  |            |
| Chicago, automatic signals, 61st Street to Polk Street  | 11,024 80   |            |
| Entire line, increased weight of rail   | 76,511 18   |            |
| Industrial and passing sidings, new signals, bridge and culvert renewals and other improvements | 261,774 61  | 719,330 85 |

**SHOPS, ENGINE HOUSES AND FUEL STATIONS:**

|  |             |            |
|--|-------------|------------|
| Buffalo, coaling plant, cinder pit and washing plant       | \$16,942 65 |            |
| West Seneca, engine washing system at engine house         | 14,522 41   |            |
| Wesleyville, new engine house, repair and train yard       | 161,579 01  |            |
| Ashtabula, new steel car repair shop                       | 191,646 75  |            |
| Ashtabula Harbor, car repair yard, facilities and tools    | 34,803 48   |            |
| Painesville, water station, pipe line and intake           | 54,014 88   |            |
| Collinwood and Nottingham, general improvements in shops   | 64,537 20   |            |
| Elkhart, locomotive and car repair shop                    | 119,740 13  |            |
| Englewood, new roundhouse, car repair shop and power plant | 246,153 58  |            |
| General improvements in water supply                       | 17,835 28   | 921,775 37 |

**STATION AND OTHER STRUCTURES:**

|  |             |            |
|--|-------------|------------|
| Buffalo, enlarge freight office and pave driveway                            | \$12,124 20 |            |
| Ashtabula Harbor, dock improvements  | 13,826 07   |            |
| Collinwood, scrap handling plant at storehouse                               | 12,155 83   |            |
| Hillsdale, new office building, freight house, team tracks, etc.             | 19,576 66   |            |
| Fort Wayne, new freight house, team tracks, etc.                             | 38,721 65   |            |
| Chicago, improvements at La Salle Street Station                             | 15,698 67   |            |
| Additions and improvements to various station buildings and other structures | 113,808 04  | 225,911 12 |

**LAND: At various places**

282,615 66

**EQUIPMENT:**

|   |             |            |
|---|-------------|------------|
| Installation of superheaters, fire doors and other improvements to locomotives                      | \$86,468 12 |            |
| Application of steel underframes, metal truck and body bolsters, steel roofs, etc., to freight cars | 123,189 87  |            |
| Various improvements to passenger and work equipment  | 70,948 60   | 280,606 59 |

\$4,973,606 99

Less credits account property abandoned, land sold and adjustments

54,039 26

Total

\$4,919,567 73



*Annual Report***CAPITALIZATION***Capital stock*

|  |         |   |                 |
|--|---------|---|-----------------|
| Number of shares authorized                          | 500,000 | Total par value authorized                    | \$50,000,000.00 |
| Number of shares issued—common                       | 494,665 | Total par value issued and out- }<br>standing | \$50,000,000 00 |
| Number of shares issued—guaranteed ten }<br>per cent | 5,335   | Par value per share                           | \$100 00        |
| Total number of shares outstanding                   | 500,000 | Dividend for the year                         | 18 per cent     |

Amount of capital stock per mile of road owned (856.93 miles), \$58,347.82

*Mortgage, bonded and secured debt*

| <u>Class of bond</u>            | <u>Date of issue</u> | <u>Date of maturity</u> | <u>Amount of authorized issue</u> | <u>Amount issued and now outstanding</u> | <u>Rate of interest</u> | <u>Payable on the first day of</u> |
|---------------------------------|----------------------|-------------------------|-----------------------------------|--|-------------------------|------------------------------------|
| <b>MORTGAGE AND PLAIN BONDS</b> |                      |                         |                                   |  |                         |                                    |
| Gold mortgage                   | 1897                 | June 1, 1997            | \$50,000,000 00                   | \$50,000,000 00                          | 3½ %                    | { June and<br>December             |
| Gold bonds                      | 1903                 | Sept. 1, 1928           | 50,000,000 00                     | 50,000,000 00                            | 4 %                     | { March and<br>September           |
| Gold bonds                      | 1906                 | May 1, 1931             | 50,000,000 00                     | 50,000,000 00                            | 4 %                     | { May and<br>November              |

**EQUIPMENT TRUST OBLIGATIONS**

Payable in fifteen annual installments

|                                   |      |              |                |                |      |                       |
|-----------------------------------|------|--------------|----------------|----------------|------|-----------------------|
| Equipment trust }<br>certificates | 1907 | Nov. 1, 1922 | \$6,708,392 73 | \$4,025,035 65 | 5 %  | { May and<br>November |
| Equipment trust }<br>certificates | 1910 | Jan. 1, 1925 | 13,337,243 10  | 10,669,794 48  | 4½ % | { January<br>and July |
| Equipment trust }<br>certificates | 1912 | Jan. 1, 1927 | 2,974,961 25   | 2,776,630 50   | 4½ % | { January<br>and July |
| Equipment trust }<br>certificates | 1913 | Jan. 1, 1928 | 1,213,072 16   | 1,213,072 16   | 4½ % | { January<br>and July |

**BONDS OF OTHER ROADS ASSUMED BY THIS COMPANY**

|   |      |              |              |                  |     |                       |
|---|------|--------------|--------------|------------------|-----|-----------------------|
| Kalamazoo & }<br>White Pigeon                                 | 1890 | Jan. 1, 1940 | \$400,000 00 | \$400,000 00     | 5 % | { January<br>and July |
| Total amount of mortgage, bonded and secured debt outstanding |      |              |              | \$169,084,532 79 |     |                       |

Amount of mortgage, bonded and secured debt per mile of road owned (856.93 miles), excluding Kalamazoo and White Pigeon bonds, \$196,847.51

*Treasurer, Room 3111 Grand Central Terminal,  
New York*

*Union Trust Company, New York*

{ Transfers stock  
Pays dividends  
Transfers registered bonds  
Pays interest on coupon and registered bonds  
Registers stock

*The Lake Shore and Michigan Southern Railway Company*

**NEW YORK CENTRAL LINES EQUIPMENT TRUSTS**

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreements and Leases of 1907, 1910, 1912 and 1913 together with the total amount of certificates issued and the amounts now outstanding:

**EQUIPMENT TRUST OF 1907**

| Road            | Loco-<br>motives | Passenger<br>cars | Freight<br>cars | Company<br>service<br>cars | Certificates issued for<br>not to exceed 90% of value<br>bearing interest at 5%. | Certificates<br>redeemed | Balance certificates<br>outstanding<br>December 31, 1913 |
|-----------------|------------------|-------------------|-----------------|----------------------------|--|--------------------------|--|
| N Y C & H R R R | 447              | 88                | 4,000           |                            | \$11,904,901 78  | \$4,761,960 72           | \$7,142,941 06   |
| L S & M S Ry    | 125              | 25                | 4,000           | 200                        | 6,708,392 73   | 2,683,357 08             | 4,025,035 65   |
| C I & S R R     | 2                | 8                 | 3,400           | 150                        | 3,779,976 60   | 1,511,990 64             | 2,267,985 96   |
| M C R R         | 5                | 15                | 3,500           | 200                        | 3,906,381 73   | 1,562,552 70             | 2,343,829 03   |
| C C C & St L Ry | 112              | 17                | 1,525           | 100                        | 3,700,347 16   | 1,480,138 86             | 2,220,208 30   |
| Totals          | 691              | 153               | 16,425          | 650                        | \$30,000,000 00  | \$12,000,000 00          | \$18,000,000 00  |

**EQUIPMENT TRUST OF 1910**

| Road            | Loco-<br>motives | Passenger<br>cars | Freight<br>cars | Company<br>service<br>cars | Certificates issued for<br>not to exceed 90% of value<br>bearing interest at 4½%. | Certificates<br>redeemed | Balance certificates<br>outstanding<br>December 31, 1913 |
|-----------------|------------------|-------------------|-----------------|----------------------------|---|--------------------------|--|
| N Y C & H R R R | 127              | 30                | 4,000           |                            | \$6,509,466 30  | \$1,301,893 26           | \$5,207,573 04   |
| L S & M S Ry    | 75               | 60                | 12,500          | 250                        | 13,337,243 10   | 2,667,448 62             | 10,669,794 48  |
| C I & S R R     | 31               | 2                 | 1,000           |                            | 1,638,607 50  | 327,721 50               | 1,310,886 00   |
| M C R R         | 112              | 34                | 3,300           |                            | 5,520,295 80  | 1,104,059 16             | 4,416,236 64   |
| C C C & St L Ry | 80               | 6                 | 1,600           |                            | 2,994,387 30  | 598,877 46               | 2,395,509 84   |
| Totals          | 425              | 132               | 22,400          | 250                        | \$30,000,000 00   | \$6,000,000 00           | \$24,000,000 00  |

**EQUIPMENT TRUST OF 1912**

| Road            | Loco-<br>motives | Passenger<br>cars | Freight<br>cars | Company<br>service<br>cars | Certificates issued for<br>not to exceed 90% of value<br>bearing interest at 4½%. | Certificates<br>redeemed | Balance certificates<br>outstanding<br>December 31, 1913 |
|-----------------|------------------|-------------------|-----------------|----------------------------|---|--------------------------|--|
| N Y C & H R R R | 50               | 70                | 6,350           | 150                        | \$7,156,741 50  | \$477,116 10             | \$6,679,625 40   |
| L S & M S Ry    |                  |                   | 3,750           |                            | 2,974,961 25  | 198,330 75               | 2,776,630 50   |
| C I & S R R     |                  |                   | 250             |                            | 194,280 75  | 12,952 05                | 181,328 70   |
| M C R R         | 20               |                   | 2,500           |                            | 2,275,663 50  | 151,710 90               | 2,123,952 60   |
| C C C & St L Ry | 48               | 25                | 1,500           |                            | 2,398,353 00  | 159,890 20               | 2,238,462 80   |
| Totals          | 118              | 95                | 14,350          | 150                        | \$15,000,000 00   | \$1,000,000 00           | \$14,000,000 00  |

**EQUIPMENT TRUST OF 1913**

| Road            | Locomotives | Passenger<br>cars | Freight<br>cars | Certificates issued<br>for not to exceed<br>90% of value bearing<br>interest at 4½% |
|-----------------|-------------|-------------------|-----------------|---|
| N Y C & H R R R | 226         | 50                | 1,000           | \$6,028,012 95  |
| L S & M S Ry    | 33          | 30                |                 | 1,213,072 16  |
| M C R R         | 78          | 30                |                 | 2,055,234 09  |
| C C C & St L Ry |             |                   | 1,000           | 1,087,551 00  |
| P & L E R R     |             |                   | 4,000           | 3,981,991 50  |
| T & O C Ry      | 3           |                   | 1,000           | 1,128,138 30  |
| Totals          | 340         | 110               | 7,000           | \$15,494,000 00   |

## Annual Report

## CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1913

## Assets

## Property investment

|  |                 |               |                 |                  |
|--|-----------------|---------------|-----------------|------------------|
| Road and equipment   |                 |               |                 |                  |
| Investment to June 30, 1907  |                 |               |                 |                  |
| Road   | \$67,060,000 00 |               |                 |                  |
| Equipment  | 24,800,000 00   |               | \$91,860,000 00 |                  |
| Investment since June 30, 1907   |                 |               |                 |                  |
| Road   | \$24,045,941 40 |               |                 |                  |
| Owned equipment  | \$4,409,137 62  |               |                 |                  |
| Trust equipment  | 27,041,014 87   |               |                 |                  |
|  | \$31,450,152 49 |               |                 |                  |
| Reserve for accrued depreciation—Cr                                      | 4,186,720 47    |               |                 |                  |
| Net total equipment  | 27,263,432 02   | 51,309,373 42 |                 | \$143,169,373 42 |
| Securities   |                 |               |                 |                  |
| Securities of proprietary, affiliated and controlled companies—unpledged |                 |               |                 | 16,478,019 60    |
| Other investments  |                 |               |                 |                  |
| Miscellaneous investments  |                 |               |                 |                  |
| Physical property  |                 | \$121,179 42  |                 |                  |
| Securities—unpledged   |                 | 825 00        |                 | 122,004 42       |
| Total property owned as investment                                       |                 |               |                 | \$159,769,397 44 |

## Working assets

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Cash  |                |                |                |                |
| Treasurer   | \$2,611,266 75 |                |                |                |
| Local treasurer   | 558,473 99     |                |                |                |
| Station agents' and conductors' remittances in transit    | 459,347 52     |                |                |                |
| Lincoln National Bank for payment of interest             | 91,990 00      | \$3,721,078 26 |                |                |
| Securities issued or assumed—held in treasury             |                |                | 3,900 00       |                |
| Lake Shore and Michigan Southern Ry Co stock              |                |                | 103,589,074 91 |                |
| Marketable securities                                     |                |                |                |                |
| Loans and bills receivable                                |                |                |                |                |
| Chicago Indiana and Southern R R Co                       | \$4,895,469 05 |                |                |                |
| Cleveland Cincinnati Chicago and St Louis Ry Co           | 6,404,480 00   |                |                |                |
| Detroit Terminal R R Co                                   | 267,712 16     |                |                |                |
| Indiana Harbor Belt R R Co                                | 1,151,307 96   |                |                |                |
| Jamestown Franklin and Clearfield R R Co                  | 1,143,000 00   |                |                |                |
| Lake Erie and Western R R Co                              | 1,679,075 17   |                |                |                |
| Merchants Despatch Transportation Co                      | 250,000 00     |                |                |                |
| New York Central and Hudson River R R Co                  | 2,000,000 00   |                |                |                |
| Terminal Ry of Buffalo                                    | 1,500,000 00   |                |                |                |
| Toledo and Ohio Central Ry Co                             | 1,500,000 00   |                |                |                |
| Sundry bills receivable                                   | 39,201 00      | 20,830,245 34  |                |                |
| Traffic and car service balances due from other companies |                | 414,705 71     |                |                |
| Net balance due from agents and conductors                |                | 1,556,195 41   |                |                |
| Miscellaneous accounts receivable                         |                | 7,048,096 94   |                |                |
| Materials and supplies                                    |                | 4,805,166 34   |                |                |
| Other working assets                                      |                | 123,650 66     |                | 142,092,113 57 |

## Accrued income not due

|  |  |  |  |              |
|--|--|--|--|--------------|
| Unmatured interest, dividends and rents receivable |  |  |  | 1,453,950 18 |
|--|--|--|--|--------------|

## Deferred debit items

|  |              |                |                |                  |
|--|--------------|----------------|----------------|------------------|
| Advances   |              |                |                |                  |
| Temporary advances to proprietary, affiliated and controlled companies |              |                |                |                  |
| Cleveland Short Line Ry Co   | \$529,171 23 |                |                |                  |
| Jamestown Franklin and Clearfield R R Co                               | 940,800 92   |                |                |                  |
| Lake Erie Alliance and Wheeling R R Co                                 | 22,713 09    |                |                |                  |
| Lake Erie and Pittsburg Ry Co  | 15,000 00    |                |                |                  |
| Pittsburgh McKeesport and Youghiogheny R R Co                          | 5,282,563 08 | \$6,790,248 32 |                |                  |
| Working funds  |              | 64,838 48      |                |                  |
| Other advances   |              | 168,863 36     | \$7,023,950 16 |                  |
| Cash and securities in sinking and redemption funds                    |              |                | 5,000 00       |                  |
| Other deferred debit items   |              |                | 3,664,257 14   | 10,693,207 30    |
| Total  |              |                |                | \$314,008,668 49 |

*The Lake Shore and Michigan Southern Railway Company***CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1913***Liabilities**Stock*

|               |                 |                 |
|---------------|-----------------|-----------------|
| Capital stock |                 |                 |
| Common        | \$49,466,500 00 |                 |
| Guaranteed    | 533,500 00      | \$50,000,000 00 |

*Mortgage, bonded and secured debt*

|   |                 |                 |
|---|-----------------|-----------------|
| Funded debt                                     |                 |                 |
| Mortgage bonds                                  |                 |                 |
| First general mortgage bonds of 1897            | \$50,000,000 00 |                 |
| Kalamazoo and White Pigeon first mortgage bonds | 400,000 00      | \$50,400,000 00 |
| Plain bonds, debentures and notes               |                 |                 |
| Gold bonds of 1903                              | \$50,000,000 00 |                 |
| Gold bonds of 1906                              | 50,000,000 00   | 100,000,000 00  |
| Equipment trust obligations                     |                 |                 |
| Equipment trust certificates of 1907            | \$4,025,035 65  |                 |
| Equipment trust certificates of 1910            | 10,669,794 48   |                 |
| Equipment trust certificates of 1912            | 2,776,630 50    |                 |
| Equipment trust certificates of 1913            | 1,213,072 16    | 18,684,532 79   |
|   |                 | 169,084,532 79  |

*Working liabilities*

|   |                 |                 |
|---|-----------------|-----------------|
| Loans and bills payable                       |                 |                 |
| One year notes due March 15, 1914             | \$12,000,000 00 |                 |
| One year sterling notes due May 15, 1914      | 9,726,500 00    |                 |
| One year sterling notes due September 6, 1914 | 2,041,410 00    | \$23,767,910 00 |
| Audited vouchers and wages unpaid             |                 |                 |
| Audited vouchers                              | \$5,148,823 17  |                 |
| Audited pay-rolls                             | 1,213,405 39    | 6,362,228 56    |
| Miscellaneous accounts payable                |                 | 845,297 51      |
| Matured interest, dividends and rents unpaid  |                 | 111,721 67      |
| Other working liabilities                     |                 | 366,624 54      |
|   |                 | 31,453,782 28   |

*Accrued liabilities not due*

|   |              |
|---|--------------|
| Unmatured interest, dividends and rents payable | 4,367,963 27 |
|---|--------------|

*Deferred credit items*

|                             |             |            |
|-----------------------------|-------------|------------|
| Operating reserves          | \$10,086 88 |            |
| Other deferred credit items | 399,106 84  | 409,193 72 |

*Appropriated surplus*

|  |              |
|--|--------------|
| Additions to property through income since June 30, 1907 | 9,557,252 37 |
|--|--------------|

*Profit and loss*

|              |               |
|--------------|---------------|
| Free surplus | 49,135,944 06 |
|--------------|---------------|

|       |                  |
|-------|------------------|
| Total | \$314,008,668 49 |
|-------|------------------|

*Annual Report***STOCK AND BONDS OWNED***Stock*

|   | Number of Shares | Total par value         |
|---|------------------|-------------------------|
| Battle Creek & Sturgis Railway Co                     | 825              | \$82,500 00             |
| Chicago Indiana & Southern Railroad Co preferred      | 50,000           | 5,000,000 00            |
| Chicago Indiana & Southern Railroad Co common         | 150,000          | 15,000,000 00           |
| Chicago Kalamazoo & Saginaw Railway Co                | 1,800            | 180,000 00              |
| Cleveland Cincinnati Chicago & St Louis Railway Co    | 302,077          | 30,207,700 00           |
| Cleveland Short Line Railway Co                       | 47,500           | 4,750,000 00            |
| Detroit & Chicago Railroad Co                         | 10,000           | 1,000,000 00            |
| Detroit Monroe & Toledo Railroad Co                   | 4,141            | 414,100 00              |
| Detroit Toledo & Milwaukee Railroad Co                | 7,500            | 750,000 00              |
| Detroit Terminal Railroad Co                          | 933              | 93,300 00               |
| Elkhart & Western Railroad Co                         | 4,598            | 229,900 00              |
| Fairport & Phalanx Railroad Co                        | 10               | 1,000 00                |
| Indiana Harbor Belt Railroad Co                       | 7,350            | 735,000 00              |
| Jamestown Franklin & Clearfield Railroad Co           | 29,945 ½         | 2,994,550 00            |
| Jefferson Coal Co                                     | 5,100            | 510,000 00              |
| Kalamazoo & White Pigeon Railroad Co                  | 2,309            | 230,900 00              |
| Kanawha & Michigan Railway Co                         | 40,296           | 4,029,600 00            |
| Lake Erie Alliance & Wheeling Railroad Co             | 30,000           | 3,000,000 00            |
| Lake Erie & Pittsburg Railway Co                      | 21,500           | 2,150,000 00            |
| Lake Erie & Western Railroad Co preferred             | 59,300           | 5,930,000 00            |
| Lake Erie & Western Railroad Co common                | 59,400           | 5,940,000 00            |
| Lake Shore & Michigan Southern Railway Co common      | 39               | 3,900 00                |
| Lansing Transit Railway                               | 10               | 1,000 00                |
| Mahoning Coal Railroad Co preferred                   | 7,990            | 399,500 00              |
| Mahoning Coal Railroad Co common                      | 17,318           | 865,900 00              |
| Mahoning State Line Railroad Co                       | 15               | 750 00                  |
| Merchants Despatch Transportation Co                  | 5,612            | 561,200 00              |
| New York Chicago & St Louis Railroad Co 1st preferred | 25,030           | 2,503,000 00            |
| New York Chicago & St Louis Railroad Co 2nd preferred | 62,750           | 6,275,000 00            |
| New York Chicago & St Louis Railroad Co common        | 62,400           | 6,240,000 00            |
| Northern Central Michigan Railroad Co                 | 5,985            | 598,500 00              |
| Pittsburgh & Lake Erie Railroad Co                    | 299,885          | 14,994,250 00           |
| Pittsburgh McKeesport & Youghiogheny Railroad Co      | 30,113           | 1,505,650 00            |
| Reading Company 1st preferred                         | 121,300          | 6,065,000 00            |
| Reading Company 2nd preferred                         | 285,300          | 14,265,000 00           |
| Reading Company common                                | 200,050          | 10,002,500 00           |
| Sturgis Goshen & St Louis Railway Co                  | 3,000            | 300,000 00              |
| Swan Creek Railway Co                                 | 400              | 40,000 00               |
| Terminal Railway of Buffalo                           | 5,000            | 500,000 00              |
| Toledo Terminal Railroad Co                           | 4,800            | 480,000 00              |
| Toledo & Ohio Central Railway Co preferred            | 37,014           | 3,701,400 00            |
| Toledo & Ohio Central Railway Co common               | 58,463           | 5,846,300 00            |
| Westinghouse Electric & Manufacturing Co              | 6                | 300 00                  |
| Total par value stock                                 |                  | <u>\$158,377,700 00</u> |

*Bonds*

|   | Total amount held       |
|---|-------------------------|
| Chicago Kalamazoo & Saginaw Railway Co First mortgage               | \$507,000 00            |
| Cleveland Cincinnati Chicago & St Louis Railway Co General mortgage | 1,000,000 00            |
| Cleveland Short Line Railway Co First mortgage                      | 4,450,000 00            |
| Lake Erie & Pittsburg Railway Co First mortgage                     | 2,150,000 00            |
| Terminal Railway of Buffalo First mortgage                          | 500,000 00              |
| Toledo & Ohio Central Railway Co First preference income            | 192,000 00              |
| Total par value bonds   | <u>\$8,799,000 00</u>   |
| Grand total par value stock and bonds                               | <u>\$167,176,700 00</u> |

The securities held by the company are carried on its books at a total value of \$120,070,994.51

*The Lake Shore and Michigan Southern Railway Company***MILEAGE STATISTICS****LOCOMOTIVE MILEAGE**

| REVENUE SERVICE                  | 1913       | 1912       | Increase  | Decrease |
|----------------------------------|------------|------------|-----------|----------|
| Freight locomotive-miles         | 11,387,436 | 11,037,848 | 349,588   |          |
| Passenger locomotive-miles       | 10,811,212 | 10,246,963 | 564,249   |          |
| Mixed locomotive-miles           | 32,959     | 33,848     |           | 889      |
| Special locomotive-miles         | 9,716      | 22,901     |           | 13,185   |
| Switching locomotive-miles       | 9,437,532  | 8,507,392  | 930,140   |          |
| Total revenue locomotive mileage | 31,678,855 | 29,848,952 | 1,829,903 |          |
| Non-revenue locomotive mileage   | 1,251,836  | 1,293,258  |           | 41,422   |
| Total locomotive mileage         | 32,930,691 | 31,142,210 | 1,788,481 |          |

**TRAIN MILEAGE**

| REVENUE SERVICE             |            |            |         |        |
|-----------------------------|------------|------------|---------|--------|
| Freight train-miles         | 10,208,731 | 9,889,528  | 319,203 |        |
| Passenger train-miles       | 10,186,182 | 9,628,593  | 557,589 |        |
| Mixed train-miles           | 32,552     | 32,656     |         | 104    |
| Special train-miles         | 7,257      | 17,145     |         | 9,888  |
| Total revenue train mileage | 20,434,722 | 19,567,922 | 866,800 |        |
| Non-revenue train mileage   | 566,742    | 640,644    |         | 73,902 |
| Total train mileage         | 21,001,464 | 20,208,566 | 792,898 |        |

**CAR MILEAGE**

| REVENUE SERVICE                  |             |             |            |           |
|----------------------------------|-------------|-------------|------------|-----------|
| Freight car-miles                |             |             |            |           |
| Loaded                           | 330,384,407 | 313,616,881 | 16,767,526 |           |
| Empty                            | 155,516,221 | 131,919,531 | 23,596,690 |           |
| Caboose                          | 10,535,112  | 10,094,696  | 440,416    |           |
| Total freight car-miles          | 496,435,740 | 455,631,108 | 40,804,632 |           |
| Passenger car-miles              |             |             |            |           |
| Passenger                        | 16,963,869  | 16,845,208  | 118,661    |           |
| Sleeping, parlor and observation | 22,158,542  | 20,457,331  | 1,701,211  |           |
| Other passenger-train cars       | 34,829,974  | 30,183,298  | 4,646,676  |           |
| Total passenger car-miles        | 73,952,385  | 67,485,837  | 6,466,548  |           |
| Special car-miles                |             |             |            |           |
| Freight—loaded                   | 166,701     | 145,021     | 21,680     |           |
| Freight—empty                    |             | 5,877       |            | 5,877     |
| Caboose                          | 7,317       | 8,139       |            | 822       |
| Passenger                        | 180         | 10,597      |            | 10,417    |
| Sleeping, parlor and observation |             | 31,777      |            | 31,777    |
| Other passenger-train cars       | 42          | 26,856      |            | 26,814    |
| Total special car-miles          | 174,240     | 228,267     |            | 54,027    |
| Total revenue car mileage        | 570,562,365 | 523,345,212 | 47,217,153 |           |
| Non-revenue car mileage          | 3,873,369   | 5,187,302   |            | 1,313,933 |
| Total car mileage                | 574,435,734 | 528,532,514 | 45,903,220 |           |

*Annual Report***TRAFFIC STATISTICS**

## DESCRIPTION OF FREIGHT MOVED

|  | 1913              | 1912              | Increase         | Decrease |
|--|-------------------|-------------------|------------------|----------|
|  | Tons              | Tons              | Tons             | Tons     |
| <b>PRODUCTS OF AGRICULTURE</b>             |                   |                   |                  |          |
| Grain                                      | 1,598,962         | 2,047,225         |                  | 448,263  |
| Flour                                      | 441,919           | 422,177           | 19,742           |          |
| Other mill products                        | 314,548           | 346,650           |                  | 32,102   |
| Hay  | 197,944           | 156,591           | 41,353           |          |
| Tobacco                                    | 24,738            | 22,615            | 2,123            |          |
| Cotton                                     | 38,972            | 53,532            |                  | 14,560   |
| Fruit and vegetables                       | 427,672           | 488,188           |                  | 60,516   |
| Other articles                             | 242,274           | 161,065           | 81,209           |          |
| <b>PRODUCTS OF ANIMALS</b>                 |                   |                   |                  |          |
| Live stock                                 | 518,017           | 519,832           |                  | 1,815    |
| Dressed meats                              | 263,151           | 221,486           | 41,665           |          |
| Other packing house products               | 173,382           | 160,418           | 12,964           |          |
| Poultry, game and fish                     | 117,681           | 63,952            | 53,729           |          |
| Wool                                       | 14,374            | 15,594            |                  | 1,220    |
| Hides and leather                          | 42,946            | 49,762            |                  | 6,816    |
| Other articles                             | 190,256           | 213,749           |                  | 23,493   |
| <b>PRODUCTS OF MINES</b>                   |                   |                   |                  |          |
| Anthracite coal                            | 1,714,726         | 1,849,102         |                  | 134,376  |
| Bituminous coal                            | 11,494,189        | 10,807,358        | 686,831          |          |
| Coke                                       | 1,306,369         | 1,396,411         |                  | 90,042   |
| Ores                                       | 6,351,944         | 5,621,162         | 730,782          |          |
| Stone, sand and other like articles        | 4,108,722         | 4,047,681         | 61,041           |          |
| Other articles                             | 422,341           | 225,522           | 196,819          |          |
| <b>PRODUCTS OF FOREST</b>                  |                   |                   |                  |          |
| Lumber                                     | 1,166,118         | 1,108,948         | 57,170           |          |
| Other articles                             | 160,110           | 126,744           | 33,366           |          |
| <b>MANUFACTURES</b>                        |                   |                   |                  |          |
| Petroleum and other oils                   | 673,537           | 641,871           | 31,666           |          |
| Sugar                                      | 114,442           | 102,433           | 12,009           |          |
| Naval stores                               | 15,295            | 5,452             | 9,843            |          |
| Iron, pig and bloom                        | 660,331           | 646,278           | 14,053           |          |
| Iron and steel rails                       | 86,344            | 96,874            |                  | 10,530   |
| Other castings and machinery               | 932,209           | 1,004,899         |                  | 72,690   |
| Bar and sheet metal                        | 1,647,238         | 1,602,422         | 44,816           |          |
| Cement, brick and lime                     | 1,551,587         | 1,431,916         | 119,671          |          |
| Agricultural implements                    | 98,292            | 81,699            | 16,593           |          |
| Wagons, carriages, tools, etc.             | 239,172           | 211,477           | 27,695           |          |
| Wines, liquors and beers                   | 167,487           | 155,455           | 12,032           |          |
| Household goods and furniture              | 94,251            | 100,540           |                  | 6,289    |
| Other articles                             | 4,881,471         | 4,379,280         | 502,191          |          |
| <b>MISCELLANEOUS</b>                       |                   |                   |                  |          |
| Other commodities not previously mentioned | 601,022           | 495,213           | 105,809          |          |
| <b>TOTALS</b>                              | <b>43,094,033</b> | <b>41,081,573</b> | <b>2,012,460</b> |          |



*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS—concluded**

| FREIGHT  | 1913            | 1912            | Increase       | Decrease       |
|--|-----------------|-----------------|----------------|----------------|
| Tons of revenue freight carried                                | 43,094,033      | 41,081,573      | 2,012,460      |                |
| Tons of company freight carried                                | 5,339,133       | 4,400,187       | 938,946        |                |
| Total tons of freight carried                                  | 48,433,166      | 45,481,760      | 2,951,406      |                |
| Tons of revenue freight carried one mile                       | 7,051,539,934   | 6,874,015,071   | 177,524,863    |                |
| Tons of company freight carried one mile                       | 478,963,143     | 379,378,419     | 99,584,724     |                |
| Total tons of freight carried one mile                         | 7,530,503,077   | 7,253,393,490   | 277,109,587    |                |
| Miles of road operated in freight service                      | 1,844.43        | 1,802.71        | 41.72          |                |
| Tons of revenue freight carried one mile per mile of road      | 3,823,154       | 3,813,156       | 9,998          |                |
| Tons all freight carried one mile per mile of road             | 4,082,835       | 4,023,605       | 59,230         |                |
| Average distance haul of one ton of revenue freight            | 163.6           | 167.3           |                | 3.7            |
| Average distance haul of one ton all freight                   | 155.5           | 159.5           |                | 4.0            |
| Average number of tons of revenue freight per train mile       | 688.5           | 692.8           |                | 4.3            |
| Average number of tons all freight per train mile              | 735.3           | 731.0           | 4.3            |                |
| Average number of tons of revenue freight per loaded car mile  | 21.3            | 21.9            |                | .6             |
| Average number of tons all freight per loaded car mile         | 22.8            | 23.1            |                | .3             |
| Average number of freight cars per train mile                  | 48.5            | 45.9            | 2.6            |                |
| Average number of loaded cars per train mile                   | 32.3            | 31.6            | .7             |                |
| Average number of empty cars per train mile                    | 15.2            | 13.3            | 1.9            |                |
| Total freight revenue  | \$38,434,441.92 | \$36,371,244.49 | \$2,063,197.43 |                |
| Average amount received for each ton of freight                | cts. 89.2       | cts. 88.5       | cts. 0.7       |                |
| Average revenue per ton per mile                               | mills 5.45      | mills 5.29      | mills 0.16     |                |
| Average revenue per mile of road                               | \$20,838.11     | \$20,175.87     | \$662.24       |                |
| Average revenue per train mile                                 | \$3.75          | \$3.67          | \$0.08         |                |
| PASSENGER  |                 |                 |                |                |
| Number of interline passengers carried                         | 1,538,235       | 1,293,261       | 244,974        |                |
| Number of local passengers carried                             | 8,904,715       | 8,354,892       | 549,823        |                |
| Total number of revenue passengers carried                     | 10,442,950      | 9,648,153       | 794,797        |                |
| Total number of revenue passengers carried one mile            | 680,382,013     | 610,378,781     | 70,003,232     |                |
| Miles of road operated in passenger service                    | 1,556.49        | 1,519.19        | 37.30          |                |
| Number of revenue passengers carried one mile per mile of road | 437,126         | 401,779         | 35,347         |                |
| Average distance each revenue passenger carried                | 65.15           | 63.26           | 1.89           |                |
| Average number of passengers per train mile                    | 66.58           | 63.18           | 3.40           |                |
| Average number of passengers per car mile                      | 17.39           | 16.36           | 1.03           |                |
| Average number of passenger cars per train mile                | 7.24            | 6.99            | .25            |                |
| Total passenger revenue  | \$13,025,693.56 | \$11,835,198.83 | \$1,190,494.73 |                |
| Average amount received from each passenger                    | \$1.25          | \$1.23          | \$0.02         |                |
| Average revenue per passenger per mile                         | cts. 1.914      | cts. 1.939      |                | cts. 0.025     |
| Total passenger service train revenue                          | \$17,917,197.09 | \$16,559,835.50 | \$1,357,361.59 |                |
| Average passenger service train revenue per mile of road       | \$11,511.28     | \$10,900.44     | \$610.84       |                |
| Average passenger service train revenue per train mile         | \$1.75          | \$1.71          | \$0.04         |                |
| TOTAL TRAFFIC  |                 |                 |                |                |
| Operating revenues   | \$57,941,920.37 | \$54,283,616.52 | \$3,658,303.85 |                |
| Operating expenses   | 42,445,209.21   | 35,534,644.36   | 6,910,564.85   |                |
| Net operating revenue  | \$15,496,711.16 | \$18,748,972.16 |                | \$3,252,261.00 |
| Operating revenues per mile of road                            | \$31,055.23     | \$28,993.01     | \$2,062.22     |                |
| Operating expenses per mile of road                            | 22,749.43       | 18,979.14       | 3,770.29       |                |
| Net operating revenue per mile of road                         | \$8,305.80      | \$10,013.87     |                | \$1,708.07     |
| Operating revenues per train mile                              | \$2.83          | \$2.77          | \$0.06         |                |
| Operating expenses per train mile                              | 2.08            | 1.82            | 0.26           |                |
| Net operating revenue per train mile                           | \$0.75          | \$0.95          |                | \$0.20         |

*Annual Report***EQUIPMENT STATISTICS**

|  | 1913      | 1912      |
|--|-----------|-----------|
| Average mileage per engine                           | 36,723    | 32,747    |
| Cost of repairs per engine mile                      | cts. 8'05 | cts. 7'84 |
| Total capacity of freight train cars, tons           | 2,363,950 | 2,243,290 |
| Average capacity of freight train cars, tons         | 40'97     | 41'46     |
| Seating capacity of passenger train cars             | 26,135    | 26,732    |
| Average seating capacity of passenger train cars     | 70        | 70        |
| Average mileage per passenger train car              | 63,591    | 61,722    |
| Average cost of repairs per passenger train car mile | cts. 1'16 | cts. 1'26 |

**MISCELLANEOUS STATISTICS****CONSUMPTION OF FUEL BY LOCOMOTIVES**

|  | 1913       | 1912       |
|--|------------|------------|
| Total tons of coal (bituminous)  | 2,419,837  | 2,343,157  |
| Average pounds consumed per mile run by locomotives in freight service   | 208        | 214        |
| Average pounds consumed per mile run by locomotives in passenger service | 106        | 108        |
| Average cost of fuel per ton   | \$1.75     | \$1.71     |
| Average cost of fuel per locomotive mile                                 | cts. 12'83 | cts. 12'83 |

**NEW STEEL RAIL LAID**

|   |        |        |
|---|--------|--------|
| Total tons of 100 pound rail, average price per ton, \$30.02, | 18,508 | 12,062 |
| Total tons of 80 pound rail, average price per ton, \$30.02,  | 7,257  | 7,132  |

**NEW TIES LAID**

|           |                  |                  |
|-----------|------------------|------------------|
| Hard wood | 375,949          | 370,324          |
| Soft wood |                  | 5,346            |
| Creosoted | 1,054,255        | 934,225          |
| Totals    | <u>1,430,204</u> | <u>1,309,895</u> |

|                                      |        |        |
|--------------------------------------|--------|--------|
| Average price at distributing points | \$0.92 | \$0.90 |
|--------------------------------------|--------|--------|

## The Lake Shore and Michigan Southern Railway Company

## TABLE OF TRACKS

| MAIN LINE  |   | Miles  | Second track | Third track | Fourth track | Sidings  | Total    |
|--|---|--------|--------------|-------------|--------------|----------|----------|
| Buffalo to Toledo, via Norwalk                   |   | 293.71 | 214.85       | 200.34      | *187.48      | 404.91   | 1,301.29 |
| Toledo to Vulcan                                 |   | 3.88   | 2.13         | .73         | .71          | .90      | 8.35     |
| Palmyra to Chicago, via Adrian                   |   | 217.16 | 94.21        | 34.20       | 21.70        | 375.07   | 742.34   |
| Total main line                                  |   | 514.75 | 311.19       | 235.27      | 209.89       | 780.88   | 2,051.98 |
| BRANCHES   |   |        |              |             |              |          |          |
| Ashtabula to Ashtabula Harbor                    |   | 2.33   | 1.34         |             |              | 64.73    | 68.40    |
| Ashtabula to Ohio-Penna. State Line              |   | 30.72  | 12.81        | 2.47        |              | 11.37    | 57.37    |
| Carson to Mann—low grade line                    |   | 18.10  | 18.10        |             |              | 6.81     | 43.01    |
| Elyria Junction to Millbury Junction             |   | 73.00  | 73.00        | 37.64       | 28.76        | 76.88    | 289.28   |
| Air Line Junction to Ohio-Michigan State Line    |   | 7.42   | 6.35         |             |              | 14.00    | 27.77    |
| Air Line Junction to Elkhart, via Air Line       |   | 131.16 | 131.10       | 79.22       | 29.66        | 52.82    | 423.96   |
| Monroe to Lenawee Junction                       |   | 29.50  |              |             |              | 6.31     | 35.81    |
| Lenawee Junction to Jackson                      |   | 42.11  |              |             |              | 9.90     | 52.01    |
| Total branches                                   |   | 334.34 | 242.70       | 119.33      | 58.42        | 242.82   | 997.61   |
| Total main line and branches                     |   | 849.09 | 553.89       | 354.60      | 268.31       | 1,023.70 | 3,049.59 |
| PROPRIETARY LINES (OWNED WHOLLY BY THIS COMPANY) |   |        |              |             |              |          |          |
| Detroit Monroe and Toledo Railroad               | } |        |              |             |              |          |          |
| Ohio-Michigan State Line to D & M Jct            |   | 51.43  |              |             |              | 37.80    | 89.23    |
| Detroit and Chicago Railroad                     | } |        |              |             |              |          |          |
| Grosvenor to Fayette                             |   | 25.22  |              |             |              | 3.16     | 28.38    |
| Northern Central Michigan Railroad               | } |        |              |             |              |          |          |
| Jonesville to North Lansing                      |   | 61.34  |              |             |              | 14.62    | 75.96    |
| Sturgis Goshen and St Louis Railway              | } |        |              |             |              |          |          |
| Goshen to Sturgis                                |   | 28.92  |              |             |              | 1.90     | 30.82    |
| Battle Creek and Sturgis Railway                 | } |        |              |             |              |          |          |
| Sturgis to Findley                               |   | 7.19   |              |             |              | .63      | 7.82     |
| Elkhart and Western Railroad                     | } |        |              |             |              |          |          |
| Elkhart to Mishawaka                             |   | 12.10  |              |             |              | 9.47     | 21.57    |
| Kalamazoo and White Pigeon Railroad              | } |        |              |             |              |          |          |
| White Pigeon to Kalamazoo                        |   | 36.54  |              |             |              | 14.57    | 51.11    |
| Detroit Toledo and Milwaukee Railroad            | } |        |              |             |              |          |          |
| Dundee to Moscow                                 |   | 46.98  |              |             |              | 5.19     | 52.17    |
| Total proprietary lines                          |   | 269.72 |              |             |              | 87.34    | 357.06   |
| LEASED LINES                                     |   |        |              |             |              |          |          |
| Lake Erie Alliance and Wheeling Railroad         | } |        |              |             |              |          |          |
| Phalanx to Dillonvale                            |   | 87.67  |              |             |              | 38.87    | 126.54   |
| Jamestown Franklin and Clearfield Railroad       | } |        |              |             |              |          |          |
| Ohio-Penna. State Line to Rose Siding            |   | 103.56 | 11.08        |             |              | 37.12    | 151.76   |
| Franklin to Oil City                             |   | 8.96   |              |             |              | 6.81     | 15.77    |
| Polk Junction to Belmar                          |   | 10.71  |              |             |              | 4.80     | 15.51    |
| Mahoning Coal Railroad                           | } |        |              |             |              |          |          |
| Andover to Youngstown                            |   | 38.19  | 11.00        | 8.82        |              | 41.36    | 99.37    |
| Mann to Brookfield                               |   | 24.49  | 24.41        |             |              | 5.64     | 54.54    |
| Doughton to Sharon                               |   | 7.94   |              |             |              | 10.69    | 18.63    |
| Branch to Keel Ridge                             |   |        |              |             |              | .92      | .92      |
| Cleveland Short Line Railway                     | } |        |              |             |              |          |          |
| Rockport to Collinwood                           |   | 19.64  | 19.17        |             |              | 22.23    | 61.04    |
| Erie and Kalamazoo Railroad                      | } |        |              |             |              |          |          |
| Vulcan to Palmyra                                |   | 21.82  |              |             |              | 6.17     | 27.99    |
| Detroit Hillsdale and Southwestern Railroad      | } |        |              |             |              |          |          |
| Ypsilanti to Bankers                             |   | 64.74  |              |             |              | 4.69     | 69.43    |
| Fort Wayne and Jackson Railroad                  | } |        |              |             |              |          |          |
| Jackson to Fort Wayne                            |   | 97.53  |              |             |              | 23.76    | 121.29   |
| Kalamazoo Allegan and Grand Rapids Railroad      | } |        |              |             |              |          |          |
| Kalamazoo to Grand Rapids                        |   | 58.45  |              |             |              | 18.11    | 76.56    |
| Total leased lines                               |   | 543.70 | 65.66        | 8.82        |              | 221.17   | 839.35   |

\*Includes .85 miles of 5th main track and .49 miles of 6th main track

## Annual Report

TABLE OF TRACKS—concluded

| TRACKAGE RIGHTS                               | Miles    | Second track | Third track | Fourth track | Sidings  | Total    |
|---|----------|--------------|-------------|--------------|----------|----------|
| Pennsylvania Railroad Co                      |          |              |             |              |          |          |
| Rose Siding to Falls Creek                    | 21.68    |              |             |              |          | 21.68    |
| Buffalo Rochester and Pittsburgh Ry Co        |          |              |             |              |          |          |
| Falls Creek to Clearfield                     | 31.20    |              |             |              |          | 31.20    |
| New York Central and Hudson River Railroad Co |          |              |             |              |          |          |
| Buffalo                                       | .66      |              |             |              |          | .66      |
| Pennsylvania Railroad Co                      |          |              |             |              |          |          |
| Oil City                                      | 1.00     |              |             |              |          | 1.00     |
| Erie Railroad Co                              |          |              |             |              |          |          |
| Sharpsville to West Middlesex                 | 10.28    |              |             |              |          | 10.28    |
| Grand Trunk Railway System                    |          |              |             |              |          |          |
| D & M Junction to Brush St Detroit            | 3.33     |              |             |              |          | 3.33     |
| Michigan Central Railroad Co                  |          |              |             |              |          |          |
| Jackson                                       | .46      |              |             |              |          | .46      |
| Michigan Central Railroad Co                  |          |              |             |              |          |          |
| Ypsilanti                                     | .34      |              |             |              |          | .34      |
| New York Chicago and St Louis Railroad Co     |          |              |             |              |          |          |
| Grand Crossing to Osborn                      | 13.90    |              |             |              |          | 13.90    |
| Chicago Indiana and Southern Railroad Co      |          |              |             |              |          |          |
| Osborn to Indiana Harbor                      | 4.98     |              |             |              |          | 4.98     |
| Lake Erie and Pittsburg Railway Co            |          |              |             |              |          |          |
| Marcy to Brady's Lake Junction                | 27.79    |              |             |              | 10.08    | 37.87    |
| Pennsylvania Co                               |          |              |             |              |          |          |
| Brady's Lake Junction to Minerva Junction     | 36.67    |              |             |              |          | 36.67    |
| M V Junction to Ravenna Junction              | 1.19     |              |             |              |          | 1.19     |
| Baltimore and Ohio Railroad Co                |          |              |             |              |          |          |
| Ravenna Junction to Haselton                  | 36.98    |              |             |              |          | 36.98    |
| Total trackage rights                         | 190.46   |              |             |              | 10.08    | 200.54   |
| Total mileage operated                        | 1,852.97 | 619.55       | 363.42      | 268.31       | 1,342.29 | 4,446.54 |

TABLE OF TRACKS ACCORDING TO STATES

| STATE        | Miles    | Second track | Third track | Fourth track | Sidings  | Total    |
|--------------|----------|--------------|-------------|--------------|----------|----------|
| New York     | 68.45    | 67.79        | 61.21       | 61.01        | 95.14    | 353.60   |
| Pennsylvania | 233.28   | 55.04        | 43.96       | 43.96        | 104.82   | 481.06   |
| Ohio         | 673.48   | 336.56       | 206.25      | 131.97       | 688.36   | 2,036.62 |
| Michigan     | 586.73   |              |             |              | 160.56   | 747.29   |
| Indiana      | 267.23   | 152.51       | 47.26       | 26.73        | 219.29   | 713.02   |
| Illinois     | 23.80    | 7.65         | 4.74        | 4.64         | 74.12    | 114.95   |
| Totals       | 1,852.97 | 619.55       | 363.42      | 268.31       | 1,342.29 | 4,446.54 |

In addition to mileage operated as shown above, the company owns the following tracks which are leased to and operated by The New York Chicago and St Louis Railroad Company.

|                         | Main track | Second track | Total |
|-------------------------|------------|--------------|-------|
| Silver Creek to Dunkirk | 7.84       | 7.84         | 15.68 |

*The Lake Shore and Michigan Southern Railway Company***EQUIPMENT IN SERVICE**

(INCLUDING EQUIPMENT OF LEASED LINES)

| LOCOMOTIVES           | Dec. 31,<br>1912 | Increase |                                   | Decrease |                                   | Dec. 31,<br>1913 |
|-----------------------|------------------|----------|-----------------------------------|----------|-----------------------------------|------------------|
|                       |                  | Added    | Change<br>of class<br>and service | Retired  | Change<br>of class<br>and service |                  |
| For passenger service | 145              | 8        |                                   | 6        |                                   | 147              |
| For freight service   | 402              |          |                                   | 16       |                                   | 386              |
| For switching service | 211              |          |                                   | 13       |                                   | 198              |
| Inspection engines    | 3                |          |                                   |          |                                   | 3                |
| Totals                | 761              | 8        |                                   | 35       |                                   | 734              |

**CARS IN PASSENGER SERVICE**

|  |     |    |    |   |    |     |
|--|-----|----|----|---|----|-----|
| Passenger coaches, wood                            | 198 |    | 1  | 1 | 14 | 184 |
| Passenger coaches, steel                           | 7   |    |    |   |    | 7   |
| Passenger coaches, steel underframe                | 18  |    |    |   |    | 18  |
| Smoking cars, wood                                 | 63  |    |    |   | 1  | 62  |
| Smoking cars, steel                                | 10  |    |    |   |    | 10  |
| Combination passenger and baggage cars, wood       | 24  |    |    | 1 |    | 23  |
| Combination passenger and baggage cars, steel      |     | 5  |    |   |    | 5   |
| Combination passenger, baggage and mail cars, wood | 2   |    |    |   |    | 2   |
| Dining cars, wood                                  | 10  |    |    |   | 1  | 9   |
| Dining cars, steel                                 | 3   |    |    |   |    | 3   |
| Dining cars, steel underframe                      | 3   | 1  |    |   |    | 4   |
| Cafe dining coaches, wood                          | 3   |    |    |   |    | 3   |
| Buffet and cafe cars, wood                         | 12  |    |    |   | 2  | 10  |
| Buffet and cafe cars, steel                        | 2   |    |    |   |    | 2   |
| Buffet and cafe cars, steel underframe             |     |    | 1  |   |    | 1   |
| Mail cars, wood                                    | 39  |    |    |   | 8  | 31  |
| Mail cars, steel                                   | 18  |    |    |   |    | 18  |
| Mail cars, steel underframe                        | 5   |    | 6  |   |    | 11  |
| Mail and baggage cars, wood                        | 16  |    | 1  | 1 | 2  | 14  |
| Mail and baggage cars, steel underframe            | 5   |    | 1  |   |    | 6   |
| Baggage and express cars, wood                     | 173 |    | 1  | 1 | 7  | 166 |
| Baggage and express cars, steel underframe         | 5   |    | 8  |   |    | 13  |
| Special horse cars, wood                           | 6   |    |    |   |    | 6   |
| Special horse cars, steel                          | 3   | 3  |    |   |    | 6   |
| Milk cars  | 2   |    |    |   | 1  | 1   |
| Refrigerator express cars, steel underframe        |     | 74 |    |   |    | 74  |
| Totals   | 627 | 83 | 19 | 4 | 36 | 689 |

**CARS IN FREIGHT SERVICE**

|                                       |        |       |     |       |     |        |
|---------------------------------------|--------|-------|-----|-------|-----|--------|
| Box cars, wood                        | 11,076 | 1     | 3   | 606   | 236 | 10,238 |
| Box cars, steel underframe            | 1,998  |       | 188 | 5     | 3   | 2,178  |
| Box automobile cars, wood             | 1,937  |       |     | 13    | 16  | 1,908  |
| Box automobile cars, steel underframe |        |       | 16  |       |     | 16     |
| Refrigerator cars, wood               |        | 2,183 | 14  | 12    | 425 | 1,760  |
| Refrigerator cars, steel underframe   |        | 1,263 | 425 | 1     | 14  | 1,673  |
| Flat cars, wood                       | 3,645  | 4     | 22  | 480   | 3   | 3,188  |
| Flat cars, steel underframe           | 5      |       |     |       |     | 5      |
| Stock cars                            | 457    | 501   |     | 51    |     | 907    |
| Coal and coke cars, wood              | 6,517  | 3     | 1   | 351   | 150 | 6,020  |
| Coal and coke cars, steel             | 7,992  |       |     | 4     |     | 7,988  |
| Coal and coke cars, steel underframe  | 1,001  |       | 127 |       |     | 1,128  |
| Caboose cars                          | 521    |       | 11  | 11    | 20  | 501    |
| Totals                                | 35,149 | 3,955 | 807 | 1,534 | 867 | 37,510 |

## Annual Report

**EQUIPMENT IN SERVICE—concluded**

(INCLUDING EQUIPMENT OF LEASED LINES)

| EQUIPMENT IN COMPANY'S SERVICE           | Dec. 31,<br>1912 | Increase |                                   | Decrease |                                   | Dec. 31,<br>1913 |
|--|------------------|----------|-----------------------------------|----------|-----------------------------------|------------------|
|  |                  | Added    | Change<br>of class<br>and service | Retired  | Change<br>of class<br>and service |                  |
| Officers' cars, wood                     | 6                |          |                                   |          | 2                                 | 4                |
| Officers' cars, steel underframe         | 4                |          | 2                                 |          |                                   | 6                |
| Air-brake instruction cars               | 1                |          |                                   |          |                                   | 1                |
| Ballast cars, wood                       | 106              |          |                                   | 12       |                                   | 94               |
| Ballast cars, steel underframe           | 480              |          |                                   | 2        |                                   | 478              |
| Derrick cars                             | 12               |          |                                   |          |                                   | 12               |
| Steam wrecking cranes                    | 8                |          |                                   |          |                                   | 8                |
| Cinder, push, gas and oil transport cars | 13               |          |                                   | 5        |                                   | 8                |
| Other road cars                          | 1,096            | 6        | 66                                | 46       | 1                                 | 1,121            |
| Totals                                   | 1,726            | 6        | 68                                | 65       | 3                                 | 1,732            |
| MARINE EQUIPMENT                         |                  |          |                                   |          |                                   |                  |
| Tugs, steel                              | 1                |          |                                   |          |                                   | 1                |
| Mud scows, open-deck                     | 4                |          |                                   |          |                                   | 4                |
| Dredges                                  | 1                |          |                                   |          |                                   | 1                |
| Totals                                   | 6                |          |                                   |          |                                   | 6                |

**LEASED UNDER EQUIPMENT TRUSTS**

| LOCOMOTIVES                           | Dec. 31,<br>1912 | Increase |                                   | Decrease |                                   | Dec. 31,<br>1913 |
|---------------------------------------|------------------|----------|-----------------------------------|----------|-----------------------------------|------------------|
|                                       |                  | Added    | Change<br>of class<br>and service | Retired  | Change<br>of class<br>and service |                  |
| For passenger service                 | 95               | 5        |                                   |          |                                   | 100              |
| For freight service                   | 60               | 38       |                                   |          |                                   | 98               |
| For switching service                 | 45               | 20       |                                   |          |                                   | 65               |
| Totals                                | 200              | 63       |                                   |          |                                   | 263              |
| CARS IN PASSENGER SERVICE             |                  |          |                                   |          |                                   |                  |
| Passenger coaches, wood               | 15               |          |                                   |          |                                   | 15               |
| Passenger coaches, steel underframe   | 40               |          |                                   |          |                                   | 40               |
| Smoking cars, wood                    | 10               |          |                                   |          |                                   | 10               |
| Mail cars, steel                      | 6                |          |                                   |          |                                   | 6                |
| Express and baggage cars, steel       | 10               | 15       |                                   |          |                                   | 25               |
| Buffet cars, steel                    | 2                |          |                                   |          |                                   | 2                |
| Dining cars, steel                    |                  | 2        |                                   |          |                                   | 2                |
| Dining cars, steel underframe         | 3                |          |                                   |          |                                   | 3                |
| Totals                                | 86               | 17       |                                   |          |                                   | 103              |
| CARS IN FREIGHT SERVICE               |                  |          |                                   |          |                                   |                  |
| Box cars, wood                        | 494              |          |                                   | 1        |                                   | 493              |
| Box cars, steel underframe            | 4,753            | 5        |                                   | 5        |                                   | 4,753            |
| Box automobile cars, wood             | 497              |          |                                   | 3        |                                   | 494              |
| Box automobile cars, steel underframe | 2,992            |          |                                   | 8        |                                   | 2,984            |
| Refrigerator cars, steel underframe   |                  | 468      |                                   |          |                                   | 468              |
| Coal and coke cars, steel             | 11,497           |          |                                   | 5        |                                   | 11,492           |
| Caboose cars                          | 8                |          |                                   |          |                                   | 8                |
| Totals                                | 20,241           | 473      |                                   | 22       |                                   | 20,692           |
| EQUIPMENT IN COMPANY'S SERVICE        |                  |          |                                   |          |                                   |                  |
| Ballast cars, steel                   | 450              |          |                                   | 2        |                                   | 448              |